THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

December 14, 1940

Britain Makes £10,000,000 "Gesture" to China as U.S. Tightens Embargo

China Has Faith in Soviet

New Stock Market Opening

Puppet Bank Imperils City

Honda Sent to Nanking in Effort to Improve Wang-Axis Relations

VOLUME 95 PRICE 80 CENTS (in China) NUMBER 2

HONGKONG SHANGHAI TIENTSIN

CANTON SWATOW FOOCHOW CHANGSHA HANKOW

CHUNGKING KUNMING ICHANG WENCHOW NINGPO

HUNT ENGINEERING CORPORATION

Electrical Civil and Mechanical Engineers and Contractors, Machinery and Metals Importers; Agents for America's leading and most representative Manufacturers.

THE OKONITE COMPANY	OKONITE Insulated Wires and Cables; Varnished Cambric Cables; Insulating Tape; Friction Tape; Impregnated Paper Cables; Super-Tension Cables; Splicing Materials; Building Wire; etc.
PACIFIC MARINE SUPPLY COMPANY	Pacific Portable Pumper Equipment; Pacolized Linen Forestry Hose and Mildrew Proof Cotton Rubberlined Hose.
PITTSBURGH LECTROMELT FURNACE CORP.	"MOORE" Rapid Electromelt Furnaces for Carbon & Alloy Steels, Gray & Malleable Irons; Special Furnaces for Ferro-Alloys, Carbide, etc.; for the production of Ferro-Alloys, Carbide, phosphorous refractories, etc.; Smelting of Iron Ore, Copper, Nickel Ores and concentrates of other products.
PRECISION SCIENTIFIC COMPANY	Laboratory Apparatus
PULLMAN—STANDARD CAR EXPORT CORP.	Railway Rolling Stock for both Passenger and Freight services.
RACINE TOOL & MACHINE COMPANY ...	"RACINE" High Speed Metal-Cutting Machines; Shear Cut Production Saws; Hydraulic Feed Shear Cut Machines; Abrasive Metal Cutters; Duplex Bank Saw Machines; High Speed Rail Cutting Machines; Blade Grinding Machines; Variable Volume Hydraulic Pumps & Valve.
REED—PRENTICE CORPORATION	Engine Lathes; Toolroom Lathes; Production Lathes; Vertical Milling Machines; Plastic Injection Molding Machines; Brake Drum Turning Lathes; "Wolf" Portable Timber Sawing Machines Electric AC & DC, Pneumatic and Gasoline engine driven; 4-Way Drilling & Turning Machines; Universal Joint Turning Lathes; Whiltcomb Portable Shapers for Forge Hammer Repair Maintenance; Engine Lathe Mattachments; Production Lathe Attachments; Toolroom Lathe Attachments; Die Sinking Machine Attachments; Milling Cutters for Vertical Millers; Vertical Miller Attachments; Cherrying & Profiling Attachments for Vertical Millers & Die Sinking Machines.
REPUBLIC STEEL CORPORATION	METALS
ROCKFORD MACHINE TOOL COMPANY ...	Hy-Draulic Planers; Hy-Draulic Shaper-Planer; Hy-Draulic Shaper; Hy-Draulic Slotters; Rockford "Economy" Lathe.
SALVUS PRODUCTS, INC.	Surgical Sutures
SECURITY BANKNOTE COMPANY	Currency and Security Forms.
SOUTHWESTERN ENGINEERING COMPANY	Ore Mill Designing; Ore Mill Equipment such as; Flotation Machines; Jigs; Sand Pumps; Ore Feeders Ball Mills; Dry & Liquid Reagent Feeders; Conditioners; Agitators; Thickeners; Diaphram Pumps; Automatic Samplers; Solution Flow Meters; Amalgam Barrels; Tilting Bullion Furnaces; Steel Tanks & Bins; Factory built Milling Plants of 25 and 50 ton capacity.
STERLING PUMP CORPORATION	Sewage Disposal & Sump Pumps; De-Watering Pumps-Mine, etc; Special Brine Pumping Equipment; Deep Well Turbine Pumps; Vertical Centrifugal Pumps; Hydro-Ejector Type Pumps; Automatic Water Supply Systems; Propeller Type Low Head Pumps.
STOVER MANUFACTURING & ENGINE CO.	Gasoline-Kerosene-Horizontal-Vertical Engines; Small Diesel Engines; Limestone Pulverizers; Windmills; Galvanized Towers; Hammer Mills; Drag Saws; Saw Frames; Pump Jacks.
THE UNITED STATES ELECTRICAL TOOL CO.	Portable Electric Drills and attachments; Portable Electric Sanders; Portable Electric Surfacers; Portable Electric Polishers; Portable Electric Grinders; Flexible Shaft Machines and attachments; Portable Electric Saws; Electric Screw Drivers and Nut Runners; Portable Electric Tappers; Portable Electric Valve Grinders; Rotary Hack Saws for use with Electric Drills; Reamer Drives; High Speed Tool Bit Grinders.
WELLS MANUFACTURING CO.	Single-Purpose Motor-Driven Tool Sharpening Machines for Drills, Taps, Knives, Reamers, Skates, Lawn-Mowers, Hack-Saws, Milling Cutters, Die Sinkers, Engraver Tools, Lathe Tools, Boring Bar Tools. Special Tools made to order for Special Grinding.
WESSON COMPANY	High Speed Steel and Tungsten Carbide Counterbores; Countersinks; Multi-Die Tools, T-C Drills; Reamers; Milling Cutters and Special Tools.
WESTINGHOUSE ELECTRIC INTERNATIONAL CO.	Steam Turbines, Electric Locomotives, Generators, Transformers, Motors, Welders, Furnaces, Switchgears, Surge Protective Apparatus, Porcelain Insulators, Instruments and Meters, Insulating Materials, Laboratory Apparatus, Etc.
WHEELCO INSTRUMENTS COMPANY ...	Temperature Control, Indicating and Safety Instruments; Capacitrols; Potentiometer Controllers; Thermometer Controllers; Limitrols; Indicators; Electric Valves; Pyrometers; Thermocouples.
THE WHITE MOTOR COMPANY	Motor Trucks and Buses.
WILLIAMS OIL—O—MATIC HEATING CORP.	Oil Burners.

For a complete list of agencies, please consult advertisement in the forthcoming issue of the China Weekly Review.

NEW YORK BUFFALO LONDON

What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review.*

WITH HOT AIR?

To the Editor:

Now that the Wang Ching-wei Nanking "Government" has been recognized by its creators, its long ago self-appointed "Ambassador" T'ang Leang-li may finally have an opportunity to bask in the glamor of a bit of diplomatic notoriety in some second rate capital.

The problem of finding a capital that will properly set off the talents of Nanking's "Ambassador" T'ang, however, must be one of the pressing considerations of the higher councils in the puppet realm. So far there is the choice of two: Tokyo and Hsinking. While "Ambassador" T'ang himself probably feels that neither of these capitals quite deserve his presence and dreams of Washington, Berlin, or Moscow at the very least, none of these countries have somehow gotten around to noticing either the existence of Nanking or "Ambassador" T'ang.

Tokyo, of course, is probably out because the Japanese have always had a preference for someone who can write. That leaves Hsinking. But the spectacle of a self-appointed "ambassador" from a petty puppet regime to another bankrupt political set-up might be too ludicrous. Somebody might laugh and give the whole show away.

No! "Ambassador" T'ang must perhaps wait till kinder fates prevail. In the meantime he can continue to flaunt his "ambassadorship" about Shanghai second-rate cabarets while the puppet money holds out.

He can reasonably hope that Costa Rica—that mighty magnificent American country of a few thousand natives and one American banana plantation overseer—for the price of a few Japanese toy balloons will recognize Nanking just as it did Manchukuo. Then, finally, our "Ambassador" will come into his own. The same Japanese freighter that calls into the country's one little port to unload the balloons can put off Nanking's "ambassador." And the Costa Ricans, being practical busy people engaged in earning a living picking bananas will, of course, immediately see the obvious and put the newly arrived diplomat at a task worthy of his great talents—blowing up the balloons one by one.

MISS EEL

Shanghai, Dec. 8, 1940.

POISON PILL

To the Editor:

On November 30 Wang Ching-wei swallowed a poison pill by signing some scraps of paper with the Japanese. To us Chinese people those treaties are just such more of the "New Odor." They have no more concern to us than whether he eats a dinner or takes a nap, as he is only a false head. But, thanks to the Japanese, the reactions produced are certainly wonderful and we hope Japan will give Wang some more of this stuff in order to end once and for all Wang's agonies.

Our friends need not be alarmed either, because this sort of puppet show clearly indicates that Japan is at her rope's end. It is their own people these militarists are cheating. In other words, by signing such treaties, they will be able to place the blame of their defeat upon Wang and his fellow-puppets, and save their own skin.

The more recognition Wang gets from the Japanese, the more is Wang despised by the Chinese, who regard him as nothing but Japan's illegal product. The posters which appeared in the morning of the 30th in favor of Wang were torn down as soon as they were posted. This alone ought to discourage our invaders.

In order to give Wang some "face," the Japanese recently started a winter campaign in Hupeh province. The **Domei** agency reported a few days ago that three hundred thousand Chinese soldiers were encircled, and Japan was about to score another "Tannenberg victory." This is most absurd. The Japanese High Command should have sense enough to know that it takes a force of three to four times the size of defenders to dislodge them from their strategic position.

One Chinese here, who got into a casual acquaintance with a Japanese gendarme, asked him if he can tell how soon the war would end. The reply was, "You had better go and ask your General Chiang Kai-shek for the answer." This brief reply revealed a great deal of truth; it shows the utter predicament of the Japanese military, and that they, too, believe in the power of General Chiang, who holds the final decision of the Sino-Japanese War.

F. X. TSU.

Shanghai, December 3, 1940

SHUT OUT

To the Editor:

The place where our school is located at present is almost entirely shut out from contact with the outside world. As the news which we get is generally one-sided, it is not easy for for me and my colleagues to know what is actually going on in this turbulent world. Our eagerness for unbiased information is very intense. Therefore you may be able to imagine how impatient we become in awaiting the arrival of **The China Weekly Review** and how avariciously we "chew" its contents. It is only in this way that we can get a glance at the actual international situation. We have been so benefitted by **The Review** that we look upon it as a necessity, a sort of "spiritual food," without which we certainly would be intellectually famished. Although our

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

J. B. POWELL, *Editor and Publisher*

C. FRANK GLASS, HOH CHIH-HSIANG, *Assistant Editors;*

C. Y. W. MENG, S. T. HSIEH, *Correspondents.*

F. K. CHAO, *Business Manager* TRYPHON V. KU, *Advertising Manager*

JAMES Y. M. WU, *Circulation Manager*

Index for December 14, 1940

Editorial Paragraphs

Has Greece (And the Italians) Smashed the Axis 39
Chungking Has Implicit Faith in Soviet Russia ..... *By C. Y. W. Meng* 41
Terms of Tokyo-N.E.I. Agreement on Oil Purchase Hushed, but Trade Likely to Pay for Fuel .....*By Malcolm Rosholt* 43

Special Articles

Financial Circles Unanimously Oppose Nanking Plan To Set Up Puppet "Central Bank," Issue Currency ....*By John Ahlers* 45
Britain's Magnificent Gesture Of Confidence In China 47
"Three R's" Guide Free China in Building For the Future; Nationwide Drive Against Graft Launched 51
New Stock Market to Be Opened in Shanghai Monday ..... *By Harper Wang, M. A.* 52
Honda Sent to Nanking in Effort to Patch Up Breach Caused By Axis Cold-Shoulder to Wang Government 58
Lack of Japanese Initiative in China Campaign Reflects Military Uncertainty Over Tokyo Diplomatic Moves 60

Departments

What People Are Saying 37
Outstanding Events in the Sino-Japanese War 62
Who's Who in China 63
Men and Events 64
New Books of Interest in the Far East 67

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA. YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, THIRTY-FIVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN, ADD $3.00 TO COVER EXTRA POSTAGE TO HONGKONG, SOUTH SEAS FIFTEEN DOLLARS STRAITS CURRENCY. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917. BY AIR-MILL TO CHUNGKING AND ELSEWHERE IN WEST, NORTHWEST AND SOUTHWEST CHINA THE RATE, INCLUDING POSTAGE, IS $51.00 A YEAR OR $26.00 FOR A HALF-YEAR.

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS." COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES. COMMUNICATION PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

ALL EDITORIAL, TEXT AND OTHER MATERIAL IN THE WEEKLY ISSUES OF THE CHINA WEEKLY REVIEW IS COPYRIGHTED UNDER CERTIFICATE OF REGISTRATION NO. 9953 ISSUED BY THE MINISTRY OF INTERIOR OF THE NATIONAL GOVERNMENT OF THE REPUBLIC OF CHINA.

financial circumstances are severely strained, we have always managed in one way or another to continue our subscription, hence we are enclosing Postal Order herewith for that purpose.

T.A.Y.

Kwang-I Middle School,
Hengyang, Hunan, Nov. 17, 1940.

ZIGZAG MAIL

To the Editor:

I have zigzagged back and forth so rapidly that I have not seen a copy of **The China Weekly Review** for three months. I have been waiting on tip-toe for its arrival and I know I shall go crazy if I don't receive it shortly. Please hurry it along.

S. Y. H.

Chungking, Sept. 23, 1940.

RILEY AFFAIR

To the Editor:

I read with much surprise in **The China Weekly Review**, December 7, this paragraph inserted in connection with the "Riley affair":

"...and made even more difficult by Riley's claim that he possesed a Chilean passport issued many years ago by the authorities of a country which at that time changed Governments almost with the seasons."

I consider it necessary to inform you that the official who was Consul for Chile in Yokohama in 1932, after being recalled by the Chilean Foreign Office, was sentenced to jail for many years by the Justice Court of Chile. Political changes in my country do not necessarily mean a free hand for delinquents. Accuracy and honesty are not always virtues exclusively the possession of Governments longest established. Sometimes changes are convenient.

DR. JUAN MARIN,
Chargé d'Affairs and Consul General for Chile.

Shanghai,
Dec. 7, 1940.

NATIONAL CITY BANK OF NEW YORK

Rates of Exchange, Shanghai, December 12, 1940

Demand selling rate on New York:
U.S.$1.00—Sh.$17.02

Demand buying rate on New York:
U.S.$1.00—Sh.$16.66

Demand selling rate on London:
£1.0.0—Sh.$64.53

Demand buying rate on London:
£1.0.0—Sh.$62.43

AMERICAN STOCK AND COMMODITY QUOTATIONS

December 11, 1940

STOCKS

Amer. Locomotive	16
Amer. Waterworks	6⅜
Anaconda Copper	27⅛
Bethlehem Steel	88
Chrysler	77¼
Elec. Bond & Sh.	4
Gen. Motors	49¾
Goodyear T. & R.	18⅛
Gt. Nthrn. Rly., pfd.	27¼
Lockheed Aircraft	31⅛
Mont. Ward	37⅝
N. Y. Central	14
Texas Corp	39⅛
U. S. Steel	70¼

COMMODITIES

New York Cotton, Dec.	10.10/11
New York Rubber, Jan.	20.65B
New York Hides, Mar.	12.68B/73A
Chicago Wheat, May	86½/86⅝
Chicago Corn, May	60⅜/60½
New York Sugar, No. 4, Mar.	0.78B/78½A

B—Bid. A—Asked.

China's Best

美麗牌香烟

My Dear

CIGARETTES

A leading product of

HWA CHING TOBACCO CO., LTD.

SOLD EVERYWHERE

THE CHINA WEEKLY REVIEW
密勒氏評論報
中華郵政特准掛號認爲新聞紙類
Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China
Vol. 95 Shanghai, Saturday, Dec. 14, 1940 No. 2

HAS GREECE (AND THE ITALIANS) SMASHED THE AXIS?

(Editorial Contribution)

QUITE a number of indications from various parts of the world in the past week or two point to the perfect propriety, grammatically and factually, of speaking of the Tri-partite Alliance in the past tense.

The implication which the forming of the axis tended to impress upon the world was that the three signatory powers were united in a solid front against the rest of the world. "All for one and one for all," appeared to be the cry of these three 'Must-Get-Theirs' of totalitarianism.

Current events, judging by the news dispatches, disprove this solidity of front. Thieves fall out and gangs split up for only two reasons. Either a difference of opinion on the division of loot; or a case of 'every man for himself' when the going gets too tough, and things look like they might fall apart. The latter case seems to be true in the instance of the Axis.

Greece is doing a beautiful job in Albania, and with continued active aid from Britain and material aid from the United States, it is altogether within reason to assume that the new Greek battle-cry, "On to Rome," may become a reality. But even though every Italian private can put his name on the list and become a commander-in-chief within a month or two, the way they are changing commands, it must be admitted that Greece has had a strong and powerful *unexpected* ally in the war; non-fascist Italy. This is no doubt the most unpopular war that was ever fought. Not only is Mussolini having difficulty keeping a commander in the field who will try to win, but the men in the ranks plainly don't want to fight, and that is amply shown in every news dispatch that comes in. If they are not allowed to retreat because of their own officers' gun-fire, they go forward and surrender in droves, together with their equipment. This revolt against Mussolini and his fascist principles is not only reflected on the battle-field, but out at sea with the Italian Navy. And more important, it is reflected back at home in Italy, where practically every large city in the past few days has been the scene of riot after riot against the whole totalitarian mess by the masses of Italian people who no doubt want to see a return of a few basic human principles.

There is no doubt that if and when the forces of Greece and Britain do march into Rome and other Italian cities, they will be welcomed by a great many Italian people, more or less openly, as the liberators and the advance guard of a new regime of liberty.

Of course this unpopularity with his people, and his inability to do one little thing like *knocking off* Greece for his pal, Herr Hitler, has made Mr. Mussolini very unpopular with Nazi Germany. So unpopular, in fact, that they are *including him out* in the proposed consummation of a Franco-German peace. Not only was Italy not invited, according to the news, but all the advance information states that French sovereignty over Tunis, Corsica and Nice will not be questioned; and those possessions was one of the chief reasons for Italy's entry into the war. Reminds one of the old nursery rhyme which went something like this:

"Lost your mittens? You naughty kittens!
"Then you shall have no pie."

Of course, Herr Hitler made a grand-stand play for his erstwhile pal, in his own interests, by having his Turkish envoy present some peace terms to the Greek Premier, but we have heard no more about that. No doubt, General Metaxas was too busy reading Greek victory dispatches with one hand, and studying a map of Europe with the other to see just about where he would join up for a celebration with the British Commander-in-Chief coming the other way.

Opportunities For More Cooperation

New York Times

Another indication that the Triple Alliance is not so closely allied when it becomes a matter of jeopardizing your own hide for a brother member is in the matter of recognizing Nanking. Herr Hitler waited patiently until Russia made a statement. It had been reported that Italy would recognize Nanking as a gesture to Japan, because Italy has little to lose by it at this stage of the game, but the whole principle of allied brotherhood between these powers has little or no value, unless Germany, who instigated the whole thing stands by. But Germany, after hearing Russia's flat-footed statement, that regardless of what was signed or who recognized Nanking, Russia was going to remain the best of friends with General Chiang-Kai-Shek, and send him all the help they can, decided that perhaps they had better wait a while before recognizing Nanking. And thereby left their second Axis partner out on a limb. Hitler could not take a chance right now toward antagonizing Stalin, because after his diplomatic efforts in that direction failed so miserably, he does not know just where he stands with the Soviet. And if it means endangering his position in the Balkans, nothing doing! Japan will have to look out for itself.

Japan is beginning to realize that the Nipponese are in a worse spot than they were before they signed the pact. They are beginning to see that the *alliance* is a little lop-sided and one-sided. Of course, any Pole or Czech could have told them that before they signed, but they wouldn't listen. But now they are beginning to see that the Alliance stands for "All for one, and all for one," and that *one* is Adolph Hitler.

First of all, Japan expects great things from the appointment of Admiral Nomura as Ambassador to Washington. They are going to be disappointed. Because no matter how cordial a greeting the Admiral gets in Washington, and no matter how long it will take him to make the social rounds of his many American friends of long standing, sooner of later, somebody in Washington is going to start asking him questions.

"By the way, Admiral, what about the Japanese recognition of Wang-Ching-wei?—And how come all these blockades in Shanghai in violation of American rights?—And what about the bombings of Chungking?—And the occupation of Indo-China, and the seizures of American property there?—And what are your plans in the Netherlands East Indies?,—and Oh, yes, Admiral, just why *did* Japan join the Axis?"

Realizing that the Admiral has a pretty tough job ahead of him, Mr. Matsuoka, Japanese Foreign Minister, tried to make things easier for him this week. And since he finally sees that he can expect little or no benefits from his Axis connection, practically throws the Axis out of the window. Says the Foreign Minister, in effect, "Under the terms of our Alliance with Germany and Italy we will only go to war against the United States if the United States attacks either Italy or Germany, but not if Germany or Italy attacks the United States. And the decision as to who struck first remains entirely with us."

Which may be construed as saying, "Frankly, Franklin, we don't want any war with you, and if you give us a little encouragement, we will tell Herr Hitler that it's all off between us."

Needless to say, the United States has passed the point where anything Japan says will be considered, unless it is backed up with plenty of conciliatory action, such as removing a few soldiers from here and there, and putting them elsewhere. Far away.

And so Hitler continues to look out for Hitler; Mussolini is strictly, and sadly, on his own, and Japan, the third member of the Axis, sees no benefits and is ready to sacrifice its membership for a friendly gesture from the United States.

Originally formed as an alliance of joint aggression and a three-way division of spoils, the Axis did not figure on what might happen if they started to lose, and when that appears to be more than a possibility now, they unceremoniously split up, and it is "Every man for himself, with the best get-away, or the best deal you can make."

Ostensibly there is still an Axis. But as the members look at the English Channel, Albania and the American fleet in the Pacific, they all seem willing to admit, "There WAS an axis."

SAM TITLEBAUM

Japan's Mexican Oil Scheme Didn't Pan Out!

OIL is one thing for which everyone thinks "Japan Would be Willing to Fight," thinks *Time Magazine* in a recent issue. And as background for that statement, Time printed a "mysterious" story of Japan and oil.

From Mexico there leaked out a story of a concession of 250,000 acres of land leased for five years by the Mexican Government to the Compania Mexicana Veracruzana for the exploration and exploitation of oil. Curious oilmen and Mexico's former President, General Lazaro Cardenas looked into the matter.

Big British and American firms had looked into the area long before and had rejected it, although it was only 60 miles from the rich Poza Rico fields. The concession was signed by Sr. Modesto C. Rolland, sub-secretary of the Ministry of Economy and president of the Mexicana Veracruzana. It was discovered that Cia. Mexicana Veracruzana was controlled by La Laguna Co., which was owned by Pacific Petroleum Co., which was owned by Kobe Petroleum Co., which was owned by the House of Mitsui, which supplied oil to the Japanese Navy.

Guesses were rampant as to why Japan wanted to lease "dud" oil land; some believed it was a Japanese maneuver to put Mexico on the "spot"—Mexico could tell the U. S. she gladly would embargo oil, but could not block operations of Japanese-controlled firms actually operating in Mexico. Others thought it was a Japanese move for economic penetration of Mexico. Others saw it as a base from which Japan could attack Texas or the Panama Canal.

But President Cardenas put an end to the whole thing. He called off the deal. However, a Domei report from Mexico City on November 25 said that the opening of a new port at Salina Cruz, would facilitate oil shipments to Pacific countries, including Japan.

Meanwhile in the U. S. some leading figures in the oil industry opposed President Roosevelt's action in tightening restrictions on exports of oil abroad—all of which worked to the detriment of Japan's oil situation.

Mr. Roosevelt promulgated further restrictions on the grounds that U.S. petroleum—particularly that suitable for, and refined for, aviation—should be stocked up in advance and conserved.

But President J. A. Brown of the Socony-Vacuum Oil Co., four days after President Roosevelt's October 12 measures, in a dividend letter to stockholders derided the notion of a potential fuel shortage. The substance of his argument was that the industry is producing 1,650,000 barrels of gasoline daily and that the Army and Navy are buying less than 5,000 barrels of it a day.

This of course, as Elliot Janeway pointed out in his column "Trade Currents" in November *Asia*, is not the issue; for practically all of this fuel is for non-aviation items and, as a matter of fact, Japan has hardly any desire to purchase ordinary automobile gas. And by the spring, U. S. demands for plane gasoline should have multiplied in view of increased plane production. Meanwhile, Mr. Brown might also be taking a more far-sighted view in relation to the situation in the Far East, both to the dangers to the U. S. of further strengthening Japan, and of the woes to China involved in supplying additional airplane fuel to the invaders.

Of timely interest in connection with the oil situation is an article dealing with Japan's drive for oil in the Netherlands East Indies, which appears in this week's issue of *The Review*. The article was written by Malcolm Rosholt, who recently returned from an inspection trip to the East Indies. Mr. Rosholt is a writer and lecturer in the United States, who has been connected during the "off seasons" with the editorial department of *The China Press*.

Chungking Has Implicit Faith in Russia's Promise of Continued Assistance Against Japanese Aggression

BY C. Y. W. MENG

Chungking—in fact the whole of Free China and probably all of China proper, today has implcit faith in Soviet Russia's promise of continued assistance, materially and morally, in the furtherance of the struggle China is now waging against Japanese aggression. China's faith is well established on the firm foundations of a decade of relations which have improved steadily since the threatened conflict of 1929, and which now have entered a stage where the relations of the two countries well might be compared with those of Great Britain and the United States; for even as the latter country is sending across the Atlantic all aid short of actual war, so is Soviet Russia fulfilling her pledges to China by despatching across the border all the war material the north-western traffic can carry.

Russia's assurance of continued assistance whatever may eventuate in the international storm now brewing in the Far East is not considered here merely in the light of Anglo-U. S. efforts to rally pressure against Japan; it is regardless of every other phase of Russia's foreign policy, and guided painstakingly along a path beset with pitfalls to its present determinative stage. This explains many phases of Soviet foreign policy which on the surface appeared to conflict with the ideas embodied in Russia's attitude towards China—notably in the Russo-German partition of Poland.

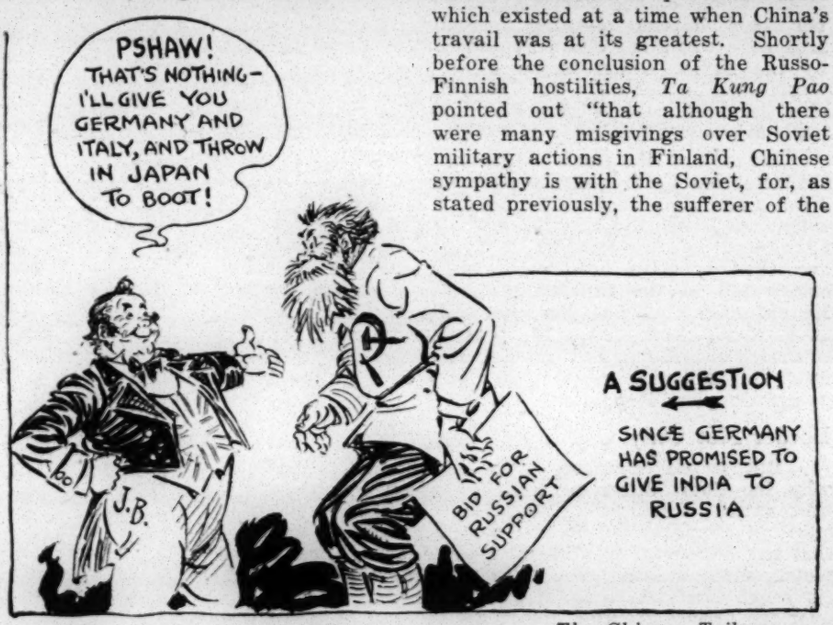
With the conclusion of the Russian-German non-aggression pact, and later military pact, followed by the Soviet attack on Finland, China had to ask herself whether history might not repeat itself in Eastern Asia, with China replacing Poland as the victim, and whether Moscow was not an Imperialist wolf in the clothing of a Communist sheep, reaping part of the aggressor's kill.

Pole Opposition Recalled

When Russia engulfed half of Nazi-subjugated Poland at the outbreak of European hostilities, Chinese sympathy was not overwhelmingly with the victim, mostly because it was recalled that Poland was one of the nations which voted consistently against China's case when it came at various times before the League Council —on the contrary, Poland supported Japan solidly. The Russo-Finnish war was another question, and Chinese opinion was strongly against the Soviet's new military adventure, even although sentiment remained with Moscow.

Chinese opinion on the Soviet attack on Finland, as expressed in *Ta Kung Pao*, is worth recalling at this time, because it reflects clearly conflict of moral and political values which existed at a time when China's travail was at its greatest. Shortly before the conclusion of the Russo-Finnish hostilities, *Ta Kung Pao* pointed out "that although there were many misgivings over Soviet military actions in Finland, Chinese sympathy is with the Soviet, for, as stated previously, the sufferer of the readjustment of the Paris conference was not Germany alone, but also the Soviet Union....her recovery of lost territory in Poland, and further, in Finland, all have their historical background." The paper then reminded the Soviet Union that Japan was taking advantage of the situation, however, "so, in the interests of the Soviet Union, she should conclude her war with Finland in the most equitable way and as soon as possible, so that she may turn attention to the East."

Tempting Mr. Stalin


PSHAW! THAT'S NOTHING— I'LL GIVE YOU GERMANY AND ITALY, AND THROW IN JAPAN TO BOOT!
J.B.
BID FOR RUSSIAN SUPPORT
A SUGGESTION
SINCE GERMANY HAS PROMISED TO GIVE INDIA TO RUSSIA

The Chicago Tribune.

Old Joe and the New Order in Europe

Evening Standard, London

The incorporation of the Baltic triumvirate into the Soviet Union also was regarded by many Chinese writers and authorities on international politics as the recovery of lost territory by the Soviet, and thus, Chinese faith in Russia was by no means shaken by the Soviet's military adventures in western Europe.

Moscow Conference

Sino-Soviet relations were not actually put to the acid test late in October when it became known that Lieut.-General Yoshitsuga Tatekawa was being appointed to Moscow by Tokyo for the express purpose of endeavoring to engineer a Russo-Japanese non-agression pact, simultaneously with an announcement by Molotov that he was determited to readjust Soviet-Japanese relations during his term of office. These two events were given added significance by the arrival in Tokyo later of Heinrich von Stahmer, Adolph Hitler's trusted agent, and generally known as the Nazis' "masked envoy." It was Stahmer, it will be recalled (*Review, Nov. 2*) who helped in the negotiations which made Japan a third member of the Rome-Berlin Axis.

Many Chinese believed that war both in Europe and the Far East had passed the stage of "Machine vs. Machine," and that the war would be fought not so much on the battlefield as in the diplomatic salons. In a struggle of diplomatic wits which appeared to be looming in the Kremlin, it was wondered whether Moscow would turn to Washington or Tokyo at a stage in which developments were becoming critical in the Pacific as well as in China.

As an historical question, it was intriguing to that section of Chinese political philosophy which still sought victory in passivity. It was recalled that a non-aggression pact between Japan and the Soviet was first suggested by Litvinov when he was in power, but Litvinov's advance was rejected on the ground "that all issues between the two countries should first be settled."

Hirota put this plan forward again in a suggestion to extend the provisions of the Portsmouth Treaty to the whole of the Soviet-Korean border. In September, 1934, of the following year a proposal for a 25-mile zone was made again by Japan, only to be rejected by the Soviet Union as one-sided, since such a strip would take in not only the Trans-Siberian Railway, but also defences near Vladivostok and along the border, while it would affect none of the defences of Manchuria.

Since then the Soviet-Japanese relations have been characterized by frequent border incidents, such as the First Lake Buir Incident of 1935, the Changkufeng Incident of 1938, and the Second Lake Buir Incident of 1939, and by the creation, convocation, reconvocation and breakdown of border commissions. The situation culminated in the conclusion of the Soviet-Mongolian Mutual Assistance Pact of 1936, when the Soviet Union made it sufficiently clear that "if Japan should venture to attack the Mongolian People's Republic and encroach upon its independence, we will have to help the Mongolian People's Republic."

Border Not Only Cause

But to the Chinese, there are numerous reasons why the Soviet-Japanese Non-Aggression Pact has not eventuated. First, the extreme length of the boundary in question (some 2,400 miles in length) makes it unlikely that any demarcation, no matter how thorough, can completely eliminate the possibility of disagreements as to its exact location. Second, it is clear that uncertainty over the precise frontier line is *not* the root cause of the incessant incidents.

General political intercourse between the Soviet Union and Japan rests on nothing more than the Peking Convention of 1925, establishing diplomatic relations. Although the Soviet did not denounce the Portsmouth Treaty of 1905, prolonged at Japanese insistence, they held it already had been violated by Japan's occupation of Manchuria, since Article III reads: "Japan and Russia mutually engaged to evacuate completely and simultaneously Manchuria except the territory affected by the lease of the Liaotung Peninsula in conformity with the provisions of additional Article 1 annexed to this Treaty; and to restore entirely and completely to the exclusive administration of China all portions of Manchuria now in the occupation or under the control of the Japanese or Russian troops, with the exception of the territory above mentioned." The Soviets know this and remember this, and simply postpone the day of reckoning with Japan at some more opportune moment.

In such circumstances, and with such an historical background in mind, the Chinese believe that the conclusion of a non-aggression pact between the Soviet Union and Japan is most unlikely, if not altogether impossible. The possibility is rendered more remote in view of the present American-Soviet negotiations now under way.. On the other hand, there are some Chinese who believe that in consequence of the threatening war situation in the Pacific, Moscow may conclude a non-aggression pact with Japan, but they contend that "we need not express much surprise, nor disappointment, when it is announced," as Moscow would not permit the pact to interfere with henassistance to China.

"Two Kinds of War"

But be it one possibility or the other, the Chinese place more faith in the Communist ideology and the Marxist differentiation of two kinds of war—"just" and "unjust" wars. In accordance with their definition, the present European War is a "unjust" war which is an imperialistic war between two groups of the imperialistic powers for domination of Europe, if not the world. But "just" wars are those for national independence and defence, or those waged by the masses of the people for a further share in the economic and social advantages of their country. The present Chinese "War of Resistance" falls precisely into the first category; it is a "just" war, fighting for national independence and defences. In the case of a "just" war, as the one which the 450,000,000 Chinese are fighting, Stalin's foreign policy works. The Chinese believe that the Soviet Government adhered before, adheres now, and will adhere in future, to its position that China is waging a righteous or "just" war against Japan, and should thus receive Soviet support.

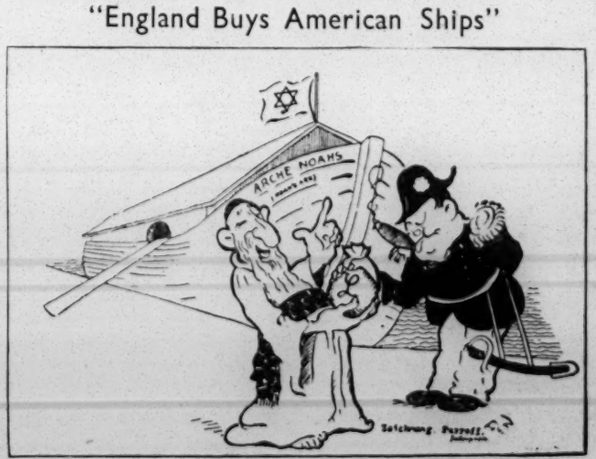
China entertains no fear of being betrayed by Moscow. On the contrary, China is confident that Moscow will continue to sympathize with China and to support the Chinese "War of Resistance"; Moscow will stay together with China and will not desert China at the critical moment; Moscow will turn to Washington for action, rather than to Tokyo. Chungking has implicit faith in Moscow's intentions.

Chungking, Dec. 5, 1940

Nomura Once Promised To Open the Yangtsze

The Shanghai Municipal Council should declare next Wednesday—Dec. 18—a public holiday, so that all citizens of all nationalities may do honor to an illustrious Japanese———Admiral Kichisaburo Nomura! We make this suggestion because it was none other than Admiral Nomura, when he was Foreign Minister of the Tokyo Government, who announced on Dec. 18, 1939—one year ago—that the Great Yangtsze River was to be re-opened for the ships of the world, as it was before the Japanese invasion in 1937. The newspapers of a year ago had much to say about Admiral Nomura's courageous action in "re-opening" the Yangtsze! According to the notation in the "Day-to-Day Record of Japan's War in China," Admiral Nomura officially informed U.S. Ambassador Joseph G. Grew—on December 18—of Japan's intentions, to which proposal the American Ambassador expressed approval. Reports had appeared in the Shanghai newspapers, particularly *The China Press*, suggesting that it would be difficult, if not impossible, for the Japanese to re-open the river to general transportation because of the fact that the banks of the river for much of the 600 miles westward from Shanghai were held by Chinese troops. But the daughty Admiral stood his ground and declared the river "would be opened." The *China Weekly Review* published an editorial in its issue of Dec. 23 stating the belief that even if the Japanese did open the river, it wouldn't help Japan's relations with U. S. A. We still hold that point of view. But we do think that somebody should remind Admiral Nomura, when he visits Shanghai, that he promised to re-open the Yangtsze on Dec. 18—1939!

"England Buys American Ships"



Nazi Cartoon

Terms of Tokyo-N.E.I. Agreement on Oil Purchase Hushed, but Trade Likely to Pay for Fuel

BY MALCOLM ROSHOLT

ON November 13, an agreement was concluded between the Japanese Economic Mission to the Dutch East Indies and the Dutch and American oil companies. The actual negotiations appear to have been conducted by Dutch government officials while oil tycoons Panthaleon van Eck, a director of Royal Dutch Shell, Fred Kay, a director of Socony-Vacuum, and H. L. Schultz, Far Eastern manager of Standard, remained in the background to advise on technical matters.

Mr. Kay flew out to the Indies by Clipper to cover the negotiations for Standard. The best informed man on the entire negotiations, outside of the actual delegates themselves, was Dr. Walter Foote, American Consul General in Batavia who was recalled from Australia only last summer by the State Department in order to handle the critical issues at stake. Dr. Foote had been a consul in the Indies for many years previous to his transfer to Australia.

The actual terms of agreement, which will give Japan 1,800,000 tons of oil annually, are not known. It appears that every effort has been made to hush up the price and the means of payment. Will Japan pay in goods or will she pay in cash? Possibly half and half. The N.E.I. is one of Japan's best customers in piece goods and textiles. Japanese exports to the Indies in the first six months of this year amounted to f.52,082,000 or approximately US$25,000,000. In 1939, total Japanese exports to the Indies amounted to f.85,108,000 or approximately US$40,000,000. From these figures, it is clear that Japan could easily pay for the oil in goods if it were only oil she were buying, but Japan also imports huge quantities of sugar and salt and substantial quantities of rubber from the Indies.

Before the talks began, according to a United Press dispatch from Batavia dated November 13, it had been agreed that the Netherlands East Indies would export 480,000 tons of crude oil and 100,000 tons of gasoline to Japan. The same dispatch stated that the conference resulted in adding 280,000 tons of crude oil and 446,000 tons of oil products to the total exports to Japan.

In Java it was stated that Japan was getting no more under the terms of the new agreement than she had under former arrangements. It was also stated that Japan was getting only 25 per cent of her total oil requirements from the Indies. It appears from later reports that the information on both counts was misleading. The evidence indicated that Japan was getting 25 per cent of the total exports of Dutch oil, or nearly 50 per cent of Japan's total oil requirements per annum!

Transfer In Three Months

The Shell and Standard interests, under the terms of the agreement, will deliver 450,000 tons of gasoline in their own tankers to Japan. The Japanese will themselves transfer 1,350,000 tons of crude and fuel oil in their tankers. They have a fleet of 50 to 60 tankers which will make the transfer and it is believed they will have completed it within the next three months, although in Balik Papan, center of the Borneo oil fields, I saw only one Japanese, one British and one Norwegian tanker in port.

If the United States initiates a complete embargo on Japan, the Mitsui interests will have to turn to other fields for their requirements. They are already looking about in case of such a contingency. In a recent article of the *Taiheiyo*, Japanese monthly, Mr. Koji Oda, Managing Director of the Asano Bussan Kaisha, boasted that Japan had sufficient stocks at home to make up the balance of her needs and that moreover, Japan could turn to other petroleum production countries such as Peru, Ecuador, Arabia, Iran, Mexico, and Northern Saghalien. The evidence would lead one to believe that with increased purchases from the Indies and with strong possibilities of oil from other sources, that Japan might be able to stand up without imports from the U.S.A. But she would have to do much searching and spend cash—which she doesn't possess.

Mr. Oda, describes an extended trip through the United States which was undertaken to dissuade the American companies from embargo restrictions. He told them "furthermore, a large number of oil workers in California and Texas would be thrown out of employment, causing headache for oil magnates."

There can be no doubt that some Americans are going to have a headache over embargo restrictions but it is equally certain that there will be more headaches if Japan's "New Order" ever gets under order.

Embargo Tightened

The U.S. is not only tightening the exhaust on Japan's muffler by an embargo on airplane gasoline but early in September, a presidential order applied the export-licence control law to equipment and specifications for the production of aviation fuel and tetraethyl lead. This ruling makes it necessary to get a license for any equipment, except minor component parts, which can be used for the production of aviation fuel by chemical process, or any technical information regarding such plants or processes except that appearing in a form available to the general public.

But America appears to be working at cross-purposes with itself. On the one hand, it makes the export of gasoline for airplanes impossible and restricts machinery and information on the manufacture of gasoline. On the

The Famous "Oil" Dinner

Official dinner—with amusing and tragic repercussions—which was given the chief Japanese delegate, Ichizo Kobyashi (left) by the Governor-General of the East Indies, Dr. A. W. L. Tjarda van Starkenborch Stachouwer. The dinner is referred to in the accompanying article.

Malcolm Rosholt, writer of this article, returned a few days ago from an extensive visit in the Netherlands Indies. Mr. Rosholt is a writer and lecturer on Far Eastern topics, and has been a member of the staff of *The China Press*. He returned to the United States last week.

other hand, it permits an American company to carry on negotiations in the Indies with Japanese delegates which gives the latter what they can not get in the United States.

It is quite likely, of course, that American policy is playing a long-handed game. American public opinion has forced the restrictions on aviation gas, yet the long heads in the State Department realize, no doubt, that a complete embargo might force Japan's hand in the Indies and that is something we are not actually in a position to effectively prevent at the moment. The only alternative is to deal out more cards to China and hope that the Chinese will keep the Japanese occupied until such a time when the American Navy is ready for more positive measures.

That England is aware of the dangerous paths being tread in the Indies oil deal was made clear recently by a *United Press* dispatch from London wherein it was stated that "members of the House of Commons yesterday (November 27) fired a barrage of questions concerning a Netherlands East Indies oil agreement at Mr. Richard A. Butler, the Under-Secretary of State for Foreign Affairs." Mr. Butler refused to reply when a Labor member asked, on hearing the terms of the new agreement: "Does not that make the embargo ineffective?"

China Today, N. Y.

Embargo Inoperative

Mr. Butler could easily have said "Yes" and been done with it. The American embargo on high test gasoline is inoperative at this very moment. Rather, it is a reflection of American public opinion. And it is safe to say that whether Japan gets or does not get her entire gasoline needs from other sources American public opinion will not change on this question. America has done what it has seen fit to do, not because we thought it would stop the war in China or delay Japanese action against ourselves, but almost entirely as a gesture against aggression and totalitarianism. What Mr. Kay does in the Indies is done with the full consent of the American Government, *but consent in this instance does not imply approval.*

Ichizo Kobayashi, Japanese Minister of Commerce and Industry, appears to have gathered around him a number of friends and so-called experts on Dutch affairs, loaded them on a boat and hurried southward practically overnight. The result was that they arrived there without an agenda, they did not even carry a white tie and formal dress suits.

If Mr. Hobayashi had any instructions at all, these instructions must have been very simple. He was told, the evidence shows, to get all the oil he could and if possible to also bring along the Dutch East Indies within the oil drums. Tokyo was not sure whether the Indies could be mixed in with the oil but it was worth a try. Flushed with the success of their diplomatic push-over in French Indo-China, the authorities were bold enough to hope that a similar arrangement might be made with the Dutch in Batavia.

As to the oil question, no one in Java had ever even hinted to the Japanese that they could not have more oil if they had the money to pay for it. It all boiled down to a simple formula. The Dutch said: "We've got the oil. If that is what you want, and if you can pay for it lay your cards down like any business man and tell us how much oil you want."

The Japanese opened negotiations with a demand for 3½ million tons of oil. This is almost as much as the entire Malay archipelago produces per annum. "So—deska," and the Japanese delegates wanted to know why the Dutch did not produce more. When Mr. Kobayashi was told that there were not that many wells in the Dutch East Indies and even if there were, the oil companies did not have the technicians to operate them, the Japanese countered by saying that if that was all the Dutch were lacking, the Japanese could send any number of technicians to the Indies to assist in exploiting new properties. They might not be clad in blue jeans and overalls, but at least they would have khaki uniforms of some sort.

Japanese Rebuffed

Dr. F. van Mook, leader of the Dutch delegation which conducted the negotiations with the Japanese, and one of the most astute Dutch statesmen in the Indies, listened thoughtfully to the reference to technicians. He said, "We are not the Department of War. If you wish to discuss military problems, we can only refer you to Bandoeng, the seat of the War Department. This is an economic conference, not a military council. Kindly proceed with the negotiations on this line."

On several occasions during the long drawn out negotiations, Dr. van Mook reminded his visitors that he was representing neither the navy department nor the war department. The Japanese naturally were anxious to feel out any possible clues to real Dutch strength while they were at it, but in this they were gently mislead. The Dutch put up such a bold front that it amazed not only the Japanese but the Dutch people in Java themselves.

The fact, that the Japanese came to the Indies without an agenda proved not only a shock, but almost a stumbling block to the Dutch. The "slow-thinking" Dutch official is not accustomed to improvisations and schemes without plan. He must see everything in black and white before it makes sense and unless one can produce long lists of papers and documents, He is at a loss to know what to make of it. Any American business man in Java can tell you how difficult it is to deal with him. The Dutch man comes in armed with secretaries, notebooks and voluminous reports. Every remark and every eyebrow lifted is recorded in a most painstaking manner.

Hence, when the Japanese came down to demand political and trade concessions without knowing just how they wanted them beyond the fact that the Japanese flag was supposed to fly where the Dutch flag had previously flown, it naturally did not make much sense to the Dutch. The Japanese were not only politically unprepared to meet the Dutch on an even footing, but sartorically speaking, they were also a bit shabby. Shortly after the negotiations had got under way, the Governor-General of the Dutch East Indies gave a state reception and ball. Invitations were sent with the notice that the affair was to be "white ties." This almost forced a turnover in the Japanese Government because none of the Japanese had formal dress with them. They had left Tokyo in such a hurry, obviously, that no one thought of this. One of the Japanese delegation asked if it would be all right if the Japanese delegation came in formal kimono. The reply was, "The party is formal." The upshot of the Dutch affair, however, was that 25 or 30 Japanese delegates had to rush to two or three high class tailoring establishments in Batavia and order 25 or 30 "suits of tails" at 150 guilders (US$80) per tail, not including cumsha.

Hitler Asserts Germany Will Beat Any Power; Blow After Blow Threatened

Chancellor Adolf Hitler, says a United Press message from Berlin, on Wednesday threatened Britain with harder blows "night after night" and declared that "German workers are our gold and capital and with them I will beat any power on earth."

"The English lie when they say that they have destroyed armaments factories," he shouted to 1,000 armaments workers in a Berlin plant.

"They have not halted work in a single armaments factory it was claimed. They have just made families unhappy by bombing hospitals with a preference. You know how they have preferred hospitals here in Berlin."

Standing on a five-meter high steel block, continued United Press, the Further said that he was a champion of the "have-nots," renewed his familiar charge that Germany had been denied living space and that Germany would win the struggle because the word capitulation does not exist in the German dictionary.

"We will do what has to be done," he shouted.

"We will wait for the hour where reason will win our victory. Whatever will happen, Germany will be the victor in this struggle.

"I am not the man who stops fighting without victory. I am the same as I ever was whatever the emigrant press may say.

"I do not want to fight, but when it is forced upon me I will conduct it as long as a single breath is alive in me, and I can lead this fight—because I know the entire German people stand behind me. I am today the guardian of the future life of the German people."

Financial Circles Unanimously Oppose Nanking Plan to Set Up Puppet "Central Bank," Issue Currency

BY JOHN AHLERS

Prospects of the establishment of a puppet Central Bank of China by Wang Ching-wei's Nanking regime have for months past worried Shanghai banking. Following Japan's recognition of that regime, those prospects now have become an actual threat. Many rumors regarding the creation, structure and status of Wang's "bank," many of them contradictory, have been circulated in local financial circles, but gradually a consensus of opinion has been formed as to what form the institution night take.

General assumption was that the bank would be inaugurated at Nanking about December 15, and might open a branch office at Shanghai by January 15, 1941. The bank, if not actually designated as "Central Bank of China," will at least pretend to be, and behave as if it really were, this country's official central banking institution. It will try to usurp in Japanese-occupied areas the functions of the genuine Central Bank of China and Bank of China combined. Its nominal capitalization has been contemplated at amounts varying from $10,000,000 to $50,000,000.

Wang's bank will attempt to usurp, in particular, the currency issue prerogative, and will embark immediately on the circulation of paper notes of its own. The notes the bank proposes to issue already have been printed; as some say, by the new printing plant of the Peiping regime, but according to others on the Bank of Japan's own presses. Rumors have it that these notes are exact duplicates of genuine Central Bank of China notes, except for the signatures of the general manager and assistant general manager.

Mere reports that a Wang Ching-wei bank might be established already have had unfavorable effects on Shanghai finance, and particularly in the local exchange market. There can be hardly any doubt that Shanghai exchange rates for Chinese national currency in recent weeks would have been still much firmer than they were had it not been for the Nanking regime's bank and currency projects. The announcement of new American credits to China did not have the full exchange effect here which otherwise could have been expected, because of the threatened circulation shortly of Wang Ching-wei bank notes.

Even Japanese Apprehensive

All local financial circles, including even the Japanese, have manifested a dislike for the pending Nanking currency experiment long before its materialization. The actual inauguration of the bank and of its monetary issue is generally anticipated with great apprehension.

All here, apart from the Wang Ching-wei group, agree that the creation of a Nanking-managed new central bank and new currency is utterly undesirable. China already has four genuine government banks. The various Japanese-sponsored governments in the occupied areas further established as puppet state banks the Central Bank of Manchu, the Bank of Mongolia, and the Peiping Federal Reserve Bank. In Shanghai, the Japanese launched the Hwa Hsing Commercial Bank, originally designed as a state bank on behalf of Wang Ching-wei's predecessor, the Liang Hung-chih regime.

There are also numerous currencies already in use in Shanghai. Chinese national currency circulates in unprecedented amounts. The Bank of Japan yen has almost disappeared from the local market, but it has been replaced by Japanese military yen circulated in amounts unknown, because un-auditored, but considerable. There are Hwa Hsiang dollars, the preferred Customs payment and silk trade currency. There are large holdings of local Chinese and foreign funds in Anglo-Saxon currencies. China is definitely over-state banked and over-supplied with paper money.

No Financial Backing

It is in this state of affairs that the Wang regime proposes to enter the ring with yet another state bank and yet another paper currency. Much worse still Nanking obviously has inflationary and exchange-grabbing intentions. It is well-known that the Wang Ching-wei regime has not and cannot have at its disposal big capital funds, and certainly, neither bullion nor convertible foreign exchange with which to back a note issue. It is clear that Nanking proposes to follow the Peiping Federal Reserve Bank's example and to work the other way round, i.e. to circulate paper money first and to convert it gradually into foreign exchange by compelling exporters to surrender their foreign currency proceeds. Technically, it will not be difficult to work this racket; sufficient would be a Customs regulation to the effect that exports will be passed through the Customs only when accompanied by a special Customs permit, which in turn could be secured exclusively on condition of forward sale to Wang's bank of all or part of the exchange expected from the shipments in question.

It is equally clear that the Nanking regime expects to finance part of its current expenditure by means of paper currency issue pure and simple, without connection with commodity transactions or other business activities. This also can be done without much difficulty, after the lapse of an initial short waiting period. Wang money may be admitted, or be made the only legal tender, for payment of Customs duties, railway freight and fares, Nanking collected taxes and fees, etc. Thus such money would acquire a certain usage, and thereby a certain value. Then, it may be used in payment of puppet officials as well as soldiers, both of whom will find ways and means to force that money upon shopkeepers, landlords, and others. Individuals will be eager to pass on Nanking money as quickly as possible to get rid of it, which will boost circulation. Those who hold or receive better currency will stick to the latter as long as possible. It is thus that comes into operation the well-known financial law of the worst currency driving underground the better ones. The Peiping Federal Reserve Bank has advanced very much along the same same lines.

Exchange For Nothing

Finally, the flotation of a currency of its own may enable the Wang Ching-wei regime to buy for nothing some foreign exchange. Yes, for nothing! If Wang money and genuine Chinese currency circulate side by side, rates for the one in terms of the other will be quoted inevitably. Chow Fu-hai will be able to produce Nanking paper money by the millions for direct purchases of national currency, and will convert the latter into foreign exchange. He may not even have to pay the printing cost for his paper issues as that may be covered in Nanking money, too.

It certainly would be childish to expect the Chinese National Government, in full view of this menace, to make further financial sacrifices in order to boost the genuine China dollar's Shanghai exchange value, and eventually to use for this purpose part of the new funds borrowed from the United States. This would amount to nothing else but financing Wang and the Japanese with the very American money which has been secured to help oppose the invader and his accomplices. Chungking will do nothing of the kind. On the contrary, should Wang Ching-wei attempt to accumulate through abuse of Chinese national currency foreign exchange on a grand scale, Chungking is likely to resort to the same counter-measure applied in the recent past more than once against other puppet money issues—the lowering of Shanghai exchange rates for national currency.

Shanghai, in this situation, can only wait and see. The monetary onslaught prepared by Wang Ching-wei is part and parcel of a much more broadly schemed attack upon Shanghai. The provisions of the Nanking treaty of November 30 foreshadow an enforcement of Wang-managed foreign trade control, and a request to Westerners to surrender territorial and extrality rights. The pending establishment of Wang's own central bank and currency is calculated to complement the other two anti-Shanghai schemes, and to bring Wang's group into the big money.

National People's Political Council Statutes Revision Reported Ready

With revision of the statutes of the National People's Political Council now reported by authoritative sources to have been completed, it is anticipated that preparations are being made for the next convening of the Council, probably early next year.

The last session of the outgoing Council was held in April, but the Council itself did not actually cease to function until October this year, after two years of existence in the most turbulent period of modern Chinese history.

It was owing to the enormous contribution made by the outgoing Council towards the unification of China and towards the national war effort that the Standing Committee of the Kuomintang Central Executive Committee on September 25 approved revision of the Council's statutes in order to endow the body with greater powers and a wider scope for its activities.

Foremost among the revisions adopted and promulgated by the National Government on September 25 were measures allowing for the reorganization of the Council so that it would comprise 220 members instead of 200 as previously, the investiture of powers to pass resolutions on legislation by the National Government, and the substitution of a presidium of the Council for the old "chief-councillor" system.

Qualifications for councillorship and the allotment of seats remained unchanged. Any Chinese over 30, irrespective of sex, is eligible. The councillors, as before, will be in four groups. Group A, of 90 councillors formerly 881, will be nominated by the provincial and municipal governments and the candidates must in principle have their domicle in the nominating districts. Group B of six councillors will be composed of four from Mongolia and two from Tibet. Group C of another six will come from among overseas Chinese. Group D will number 118 councillors (formerly 100), who must be chosen from among those who have served for more than three years in representative cultural and economic bodies and have been long devoted to political activities contributing to national welfare.

Twice as many candidates for Group B and Group C councillorships will be nominated by the Mongolian and Tibetan Affairs Commission and the Overseas Chinese Affairs Commission, respectively. These names will be submitted to the Supreme National Defense Council for selection by the Kuomintang Central Executive Committee. In the case of candidates for Group D, their names will be presented by the Supreme National Defense Council to the Kuomintang Central Executive Committee for selection. The Defense Council will have a special committee to consider qualifications of the proposed candidates.

The term of office of the councillors is one year, a period which may be extended if necessary. As before, the council will meet once every six months, each session to last ten days or longer. During its recess, a resident committee of 25 councillors, to be elected from presidium members and other councillors, will have the right to receive government reports, to facilitate the enforcement of approved measures, and to check progress. It may also exercise the right of making recommendations and carrying out investigations so long as they do not exceed the rights of the entire Council.

The reorganized Council will need only a majority quorum. The heads of the various departments of the Government may attend Council meetings but shall have no voting power. No Government officials may become Councillors. The presidium will have five members, not necessarily to be chosen from among the councillors themselves, who will nominate a chairman to preside over the plenary sessions.

Group A councillors will come from the following provinces and municipalities: four each from Kiangsu, Chekiang, Anhwei, Kiangsi, Hupeh, Hunan, Szechwan, Hopei, Shangtung, Honan and Kwangtung; three each from Shansi, Shensi, Fukien, Kwangsi, Yunnan, Kweichow; two each from Kansu, Chahar, Suiyuan, Liaoning, Kirin, Sinkiang, Nanking, Shanghai, Peiping, and Chungking; and one each from Chinghai, Sikang, Ningsia, Heilungkiang, Jehol, Tientsin and Tsingtao.

According to reports from various provincial capitals, the election campaign for the new term delegates to attend the forthcoming National People's council is in full swing in different provinces. According to reports at hand, the following provinces were known to have their delegates elected: Anhwei: Messrs. Kwang Sheng, Ma Ching-chang, Chen Tieh and Mei Kwang-ti; Shensi: Messrs. Li Tsu-ting, Chang Shao-yui, Chang Fang-i; Kwangtung: Messrs. King Chun-shan, Loh Chung-ki, Hwang Fang-i, Li Sien-kang; Kiangsi: Messrs. Wang Yu-yung, Chang Kuo-tao, Wang Cheng-sing, Liu Chia-shu; Kansu: Messrs. Shu Ching-cha, Loh Li-shieh; Chungking: Messrs. Hu Chung-shi, Tung Chang-yu; Kwangsi: Messrs. Mung Ming-wei, Yang Shu-pao, Chiang Chi-i; Honan: Messrs. Yen Hwa-tang, Wang Ying-shen, Wang Kung-tu, Kwok Chung-wei; Yunnan: Messrs. Chao Shu, Ju Shun-hua and Lung Ti-yao.

Overseas delegates recently arrived in Chungking and warmly received by Generalissimo Chiang Kai-shek, were Messrs. Huang Hsiang-wang, (Australia), Cheng Hua-chiu, (Central America), Sun Hai-chou, (Chile), Huang Chi-sheng, (Canada).

Villages Razed By Japanese Troops In "Revenge" For Guerilla Attack On Train

Inoffensive villagers, as usual, were made to suffer for the guerilla attack which wrecked a train bearing numbers of Chinese minor puppet officials bound for Nanking on November 29 to celebrate the signing of the Wang-Abe pact.

Swooping down on most of the villages in the vicinity of the place where the train was derailed by mine explosions near Soochow, Japanese troops during the following weekend put villagers to death, and then set fire to their homes.

Knowing by sad experience what to expect, it was learned, women and children fled the villages immediately after the news of the explosion spread, but several men were rounded up by the Japanese and shot as "suspects." What the total casualties actually were has not been learned yet, as apparently the Japanese are discouraging the movement of farmers from the district affected, probably for the purpose of preventing a seepage of news.

It is believed that the mines were set by guerillas in the belief that a special train bearing high Japanese military, naval and diplomatic officials would be despatched that day, but it so happened that not one Japanese was among the hundred odd killed and 200 wounded. How many puppet officials were among the killed or injured was never revealed by the Japanese, but it was believed the figure must have been high.

According to the Japanese, among three Chinese arrested as "they were fleeing from the scene of the disaster," was one whom they declared to be Captain Mien, of the New Fourth Army, and responsible for the wrecking of the train. This man, they said, was found armed with a Mauser pistol. He was shot at once.

According to an eye-witness description of the disaster, the force of the explosion must have been terrific, for the locomotive and a number of coaches were flung clear off the track and many of the latter were splintered beyond all repair.

Although the Shanghai-Nanking train service has since returned to "normal," unusual precautions are being taken by the Japanese, and trains are being made to proceed with the utmost care, often stopping for the whole night.

JAPANESE SHOT BY OWN NATIONAL

The murderer of the Japanese colonel who was killed in Peiping on November 29 has been arrested and turns out to be a Japanese national who donned a Chinese dress for the occasion, according to unconfirmed but persistent rumors among both Chinese and Japanese circles in Peiping.

The reason for the murder is said to be due to quarrels between the two Japanese according to Reuter.

(See other story on Page 50)

Britain's Magnificent Gesture Of Confidence In China

Britain's £10,000,000 loan to China, announced on Tuesday in the House of Commons, drew remarkably little fire from Tokyo. In the first place, the loan was anticipated by several weeks; secondly, it came as an anti-climax to the United States loan to China (*Review*, December 7, 1940) and finally, it was made obvious on Wednesday that the Japanese press had been muzzled more than it had ever been previously on any matter concerned with Japan's foreign policy or foreign affairs.

China, as was to be expected, was delighted at the loan and Washington gave its unqualified approval.

The Chinese authorities who could be reached in Shanghai on Wednesday characterized the British loan as a "magnificent gesture of confidence" in China, made the more valuable by the fact that Britain herself was fighting desperately for her existence when the loan was made.

Parachutist

Manchester Dispatch

Announcing the British loan to China, Mr. R. A. Butler, Under Secretary of State for Foreign Affairs, told the House of Commons on Tuesday that Britain was prepared, in principle, to advance China £5,000,000 for the Chinese stabilization fund and £5,000,000 in credits for purchases anywhere in the sterling area.

Mr. Butler made this announcement in reply to Mr. Geoffrey Mander, Liberal Member of Parliament, who called the Government's attention to the recent United States aid to China, according to a United Press message.

"It is, of course," Mr. Butler said, "necessary for His Majesty's Government to conserve their gold and dollar assets for essential war needs in the sterling area and they cannot offer China United States dollars or sterling which can be converted into United States dollars."

U.S. Embargo Tightened

Meanwhile it was announced in Washington on Tuesday that President Roosevelt had placed under export license requirements iron ore, plate iron, ferro alloys and certain iron and steel manufactured and semi-manufactured products.

Mr. Roosevelt communicated the decision to Washington from the U. S. cruiser Tuscaloosa, in which he is making an inspection tour of United States defenses in the Caribbeans.

The iron export control will go into effect December 30.

The impression prevailed in Washington, states United Press, that Japan was likely to be affected by new controls if and when restrictions are enforced.

Officials said that at present there was no plan for total embargo of shipments, but merely for creating machinery to regulate shipments. They said that restrictions might be tightened later.

Official figures were not immediately available regarding what percentage Japan had obtained of exports in this field, but a survey by an unofficial organization called the Chinese Council of Economic Research recently reported that the United States supplies 32½ per cent of Japan's total imports of iron and steel and semi-manufactured products, 98 per cent of her imports of ferro alloys and 91 per cent of her iron and steel scrap imports.

Since iron and steel scrap material recently was embargoed, Japan appears to have turned increasingly to imports of other types of U.S. steel products. Japanese purchases of rod's and bars in the first nine months of 1940 were valued at about US$7,500,000 as against about US$3,000,000 last year.

Blow to Japan

The press last Tuesday played up the United States action in tightening iron and steel export restrictions as a severe blow to Japan and linked the move with the current Anglo-American financial parleys as evidence that the United States was planning to fight totalitarian states with the strongest possible economic weapons.

It was understood that members of the National Defense Commission and other defense advisers had strongly urged the necessity for rigid control of iron and steel exports.

A decree extending Japanese Government control over the distribution of an additional 12 iron commodities which had hitherto been exempted was issued a week previous to the U.S. Embargo, the Ministry of Commerce and Industry, the Tokyo *Hochi* reported. The provisions of the decree were made retroactive to October last.

Since 1939 only four major iron goods, namely nails, ordinary wire, galvanized iron sheets and wire-ropes, had been placed as far as their distribution is concerned under the control of the Japanese Government.

The new action was taken both because of the aggravation of the international situation and the unsatisfactory supply of raw materials for iron products.

The 12 articles placed under Government control were hard steel, conduit tubes, 5-gallon cans, bottle-caps, ship chains, picks, hammers and sashes.

The Japanese Ministry of Commerce and Industry hoped that the new measure would result in these articles being distributed henceforth more smoothly and at prices fixed by the Japanese Government Price-Fixing Bureau.

Thailand And Indo-China Clash In Air As Third Week Of Hostilities Concludes

The third week of border hostilities between Thailand and Indo-China drew to a close on Wednesday with both sides taking to the air in combat. According to a *United Press* correspondent at Hanoi, French planes which carried out a "revenge" raid on Udorn Tuesday morning hit the aerodrome squarely several times, destroying and damaging the greater part of the Thai craft stored there.

Following their attack at 8.30 a.m. Tuesday on Thakhet, where they dropped a dozen bombs and caused some damage, Thai planes on Wednesday twice raided Pakse, southern tip of Laos province, and bombed and machine-gunned Vientiane, capital of Laos province.

At 9 a.m. on Wednesday Thai planes dropped two bombs on Pakse and at 3.30 a.m. six Thai craft released three bombs on the Pakse airfield but failed to cause any damage, the official communique said.

For 30 minutes, starting at 9.30 a.m. on Wednesday five Thai planes flew over Vientiane and then dropped two bombs on the airfield and strafed the military barracks but neither caused damage nor casualties, a communique reported.

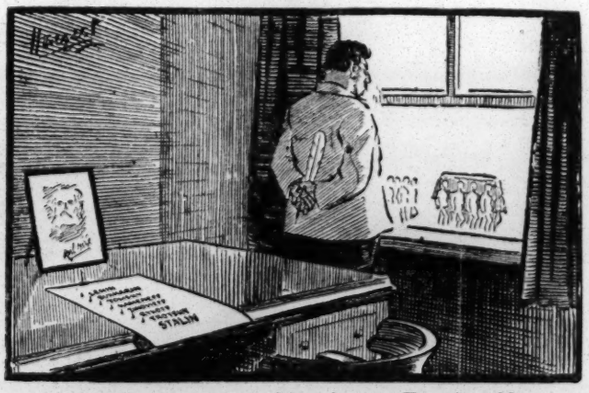
Meanwhile, authoritative Chinese quarters reported that the Franco-Japanese authorities have agreed to permit part of the American goods originally destined for Chungking and now stored at Haiphong to be re-exported. Only commercial goods and no military supplies will be allowed to leave Indo-China, they said.

"Fight Him Franco"

St. Louis Star-Times

Hitler and Mussolini: "Go on and fight him—why do you think we gave you that uniform?"

Only One Left



Manchester Evening News

But the Greek War Hadn't Started

Daily Herald, London

Adolf: "Hey, Benito! The fight hasn't started yet!"

"Franco, Your Act's Ready"

Dallas Morning News

"This Is the New Order"

Illingworth in London Daily Mail

Adolf: "What do you mean, 'When am I going to start the New Order in Europe?' This is the New Order."

So Near, Yet So Far

Herblock in Lynchburg News

Adolf Now Wants the Moon

Daily Mirror, London

"Somebody's Looking!"

Evening Standard, London

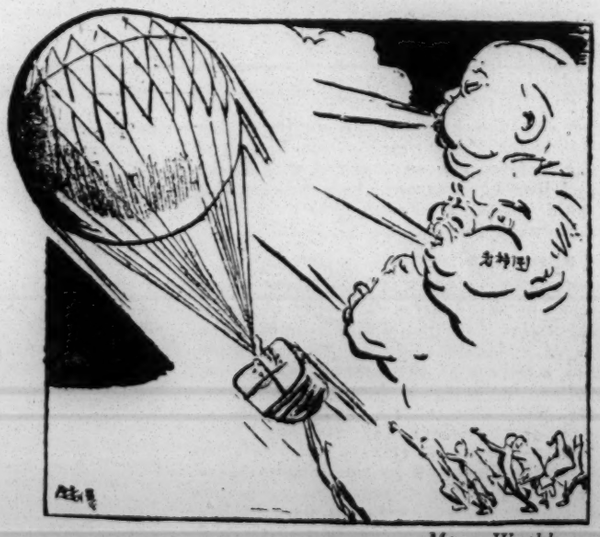
Better Detour Adolf!

Chicago Daily News

But the Victim Resisted

Daily Herald, London

Up—And Up



Mass Weekly.

A Chinese cartoonist depicted this novel conception of profiteers, hoarders and speculators blowing up the high cost of living.

Japanese Bus Company Works "Entrance Fee" Racket at Western District Barricades

What amounted to nothing more than a barefaced racket was being developed by a Japanese bus company which started operating in the blockaded western district of Shanghai during the past week. These buses, according to a Japanese Embassy spokesman last Friday, had been permitted by the Japanese military authorities to operate for the "convenience" of residents within the blockaded area, who had been deprived "temporarily" of the services of the China General Omnibus Company.

That may have been the original intention of the Japanese authorities, but the operators of the dilapidated vehicles which plied beween Jessfield Road and the Yu Yuen—Tifeng Roads barricades were apparently businessmen with opportunist leanings, and charged a flat rate of 20 cents for the purchase of a ticket.

Possession of this ticket, whether the holder wanted to use the buses or not, served as a pass through the barricades, and rather than face the dreary trudge around to one of the official entrances to the area, Chinese were willing and glad to co-operate with the bus company. Business, particularly towards evening, was brisk. It was estimated about half the ticket-holders used the buses; the others just wanted to get through the barriers.

While the majority of residents, however, preferred to walk through the barricades which have blockaded the western area since the shooting of Private Sazaki, a Japanese gendarme, on the afternoon of November 30, the China General Omnibus Company entered a strong protest with the Shanghai Municipal Council against the infringement of their franchise—the second infringement, since Japanese buses are operating in the northern areas from which the C.G.O.C. buses have been excluded by the Japanese authorities on grounds which some two years ago were stated to be of "military necessity."

Bus Attacked

As a result of the C.G.O.C. complaint, the chairman of the Shanghai Municipal Council made representations to the Japanese Consul-General in Shanghai on Tuesday last, but with no known immediate effect.

A serious situation developed on Wednesday night, when a mob of about 30 hooligans stoned a No. 7 route bus of the China General Omnibus Company, smashed its windows, and mandhandled and slightly injured the driver.

The attack was made at about 8.15 p.m. as the bus was proceeding along Edinburgh Road, near Avenue Haig, and the loafers, who were armed with sticks and iron bars, escaped before the police could intervene. Fortunately no passengers were injured.

Puppet Policeman Injured

Tension, which had been eased somewhat in the district following a partial relaxation of restrictions, meanwhile flared suddenly again on Monday, when five members of the Shanghai Municipal police, including a foreign sub-inspector, were arrested by Japanese gendarmes and detained for over an hour. The police were arrested immediately after the discovery by the Japanese gendarmes of a City Government policeman lying unconscious, with his head bashed in, near the corner of Edinburgh and Kinnear Roads at about 9 p.m.

Complete blockade restrictions on the whole area were clamped down for two hours, until 11 p.m., and all transport was brought to a standstill while the Japanese carried out fruitless investigations. The party of Municipal police was taken to gendarmerie headquarters at 94 Jessfield Road, and there subjected to "third degree" questioning. It was not until after prolonged negotiations by high Municipal officials that the police were eventually liberated.

It was reported on Tuesday that the Shanghai Municipal Council was making a close study of a report on the incident made by Major Bourne, Police Commissioner, with the object of making representations.

While the Japanese declared that the critically injured City Government policeman had been the victim of a "murderous attack," it was gathered by officials of the Shanghai Municipal Police that there were indications the man had fallen off the running board of a speeding truck or car.

Peiping Still Tense

Peiping remained tense all this week following the shooting of a Japanese colonel on November 29—the first act of murder in which the victim was Japanese since the occupation of the ancient capital.

Large numbers of people, according to a **Reuter** message, have been arrested during house-to-house searches carried out by the Japanese, and among them were several Chinese puppet police, reported to have been in the vicinity of the scene of the murder at the time the shooting took place.

Chinese reports declared that on being questioned why they failed to apprehend the murderer or murderers, the arrested policemen were beaten, some of them to death, when they replied that not being armed, they were unable to do anything.

Other Chinese reports ascribed restrictions preventing departures from the city to a Japanese house-to-house search for Chinese troops who mutinied at the beginning of December. Some of them were believed to have taken refuge in Peiping.

Tientsin Shooting

Terrorists were active in Tientsin also on December 1, when assassins still at large broke into the residence of Ku Yu-ko, chief of the Chinese detectives of the French Concession police, and fatally wounded him with gunfire.

Ku, it was recalled, participated in the Tientsin French Concession "purge" carried out at the insistence of the Japanese military authorities, and was responsible for the arrest of several Chinese who were subsequently handed over to the Japanese for investigation.

Another political murder took place in a North China French Concession on Friday last, this time at Hankow, where five Chinese gunmen pumped five bullets into Hsieh Dau-tse, political adviser to the Hupeh puppet regime.

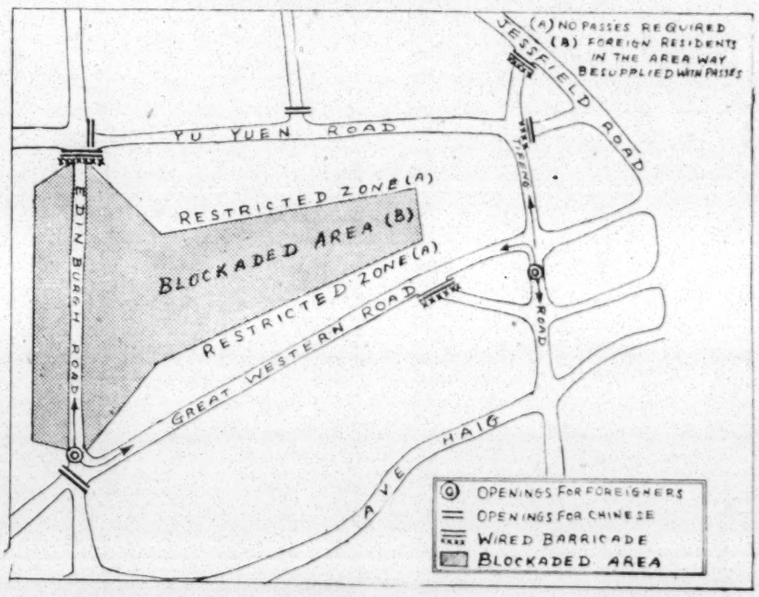
The shooting took place at 9 a.m., barely two hours before the expected arrival from Nanking by air of General Nobuyuki Abe, then still Japanese special envoy to the Wang government in Nanking, on a tour of inspection of the Wuhan area. All gates in the Concession were closed immediately after the shooting and the French authorities launched a house-to-house search, which, however, proved to be in vain.

"NEW ORDER" HISTORY FOR WESTERN AREA SCHOOLS

The "new order" went to Chinese schools behind the barriers in the western district of Shanghai early during the past week, it was learned by the **Weekly Review**. Starting Monday morning, puppet officials, accompanied by Japanese gendarmes, visited Chinese schools in the blockaded area, confiscated history books, and replaced them with Japanese version volumes. The "inspectors" warned school principals they would pay a return visit to make sure that pupils were being taught the "new order" history.

Numerous parents, already made anxious by restrictive precautions in the area, promptly withdrew their children from the schools and made arrangements for their tuition elsewhere.

Where Blockade Was Enforced



This map of the blockaded western area shows the various zones. The latter, it will be seen, were divided by wired barricades. The Japanese authorities, who issued this map, stated that should any person encounter difficulties not foreseen by this map he or she should apply to the Gendarmerie station at 94 Jessfield Road.

"Three R's" Guide Free China in Building For the Future; Nationwide Drive Against Graft Launched

Free China is laying down the foundations of its future on the sound basis of "Three R's"—"Resistance, Reform, Reconstruction;" resistance to Japan, domestic political reform, and industrial and agrarian reconstruction. The broad outlines of the movement were drawn up in Chungking, but throughout the nation there have been manifested also during the past year efforts which are purely provincial in character, and therefore indicative of a national and voluntary spirit of revolution rather than one of purely central compulsion.

Both Chinese and foreign observers see in the broad scope of this modern renaissance something more than one of those urges for reform which sometimes sweep nations from one moral extreme to another. They think, and there are sufficient reasons to support their judgment, that the new Chinese national movement, which is featured by vigorous campaign against graft and corruption, is before anything else a natural outcrop of the unification of the country brought about by Japanese aggression. This new sense of unity, it is believed, has given rise to a sense of security previously unknown to the Chinese people, who therefore are now beginning to plan for a national future rather than living for the individual, or at most family, present.

This is revealed particularly by an examination of recent Government mandates for the enforcement of the "Three R's." One of the first of these mandates was a circular recommended by the Supreme National Defense Council and adopted by the 7th Plenary Session of the 5th Central Executive Committee, for the guidance of officials. The circular proposed:

Enforcement of discipline among officials;
Prohibition of bribery;
Suppression of profiteering among officials;
Strict enforcement of official programs;
Readjustment of salaries of officials in various Government organs;
Prohibition of additional salaries for officials holding concurrent posts;
Suppression of unnecessary use of official motor-cars; and
Prohibition of extravagance and gambling among officials.

Parallel with these orders was another resolution adopted by the Central Personnel Administration Conference. In accordance with this resolution, the Ministry of Official Personnel formulated a set of measures for the Enforcement of Disciplinary Punishment of Public Functionaries. These with the approval of the Judicial Yuan, the Ministry of Audit and the Central Committee for the Disciplinary Punishment of Public Functionaries, were submitted to the National Government for enforcement and were understood to have endowed local organs with additional powers in order to permit them to function more efficiently.

Kiangsu Reorganization

Figuring prominently among plans for provincial political reform, a scheme now engaging the attention of the Kiangsu Government is expected to be launched shortly. Although complete details of this scheme have not yet been published, they are known to be far-reaching and include the reappointment of General Ku Chu-tung, Commander-in-Chief of the Third War Zone (Kiangsu, Chekiang and Anhwei), as chairman of the Provincial Government in succession to Lieut.-General Han Te-chin. New personnel for various other key positions in the administration already have been selected, it is reliably reported, and will be put before the Executive Yuan for approval in the near future. It is generally believed that the first effect of the reorganization of the Provincial Government along politico-military lines will be a sweeping improvement in the conduct of officials, petty and otherwise.

For an outstanding example of reconstruction planning, as contrasted with the essentially political reorganization of Kiangsu, Hunan's "Five-Point Program" is an effective illustration. This program, the work of General Hsueh Yo, Chairman of the Hunan Provincial Government and concurrently Commander-in-Chief of the Ninth War Zone (Hunan, Hupeh and Kiangsi), covers a great deal of ground and ranges from the field of education to the world of industrial enterprise. Under General Hsueh's "Five-Point Program," provision has been made for the establishment of colleges and schools of agriculture and engineering; the construction of factories for the production of electrical supplies, matches, cement and refined sugar; the drilling of new salt wells; the construction of shipping and public buildings. For the better welfare of the people, it is hoped to provide free clinics, while under the same program a special bureau will be established to compile statistics concerning the local social and economic situation. The element of speed in the realization of the complete program has been stressed, and, according to reports from the province, unnecessary delay in any department will be regarded by the authorities as sabotage, and punishable as such.

Japanese Airman's Assignment

Washington Post

Yunnan Efforts

Yunnan, now in the first line of Free China's defense, already has been able to report excellent progress on a program of economic reconstruction directed primarily towards the exploitation of the province's previously untapped, but tremendous natural resources which today constitute probably the most important factor in the nation's domestic economy. The program has been carried out largely through the enterprise and energy of General Lung Yung, whom the Japanese wooed ardently but vainly in an effort to breed dissension between Yunnan and the National Government.

Reconstruction measures in North-Western China have gained momentum with the inauguration of the North-Western Reconstruction Promotion Association in Sian, with Mr. Chang Fang as its Chairman and Messrs. Ku Cheng-ting and Han Kwang-chi as Vice-Chairmen. Mr. Kung Hsien-ming was made General Secretary. At its inaugural ceremony, the Association decided to send an appeal to overseas Chinese in various parts of the world, urging them to invest idle capital in reconstruction enterprises in the North-Western provinces.

In order to increase war-time relief work in this area, the central authorities meanwhile appropriated an additional sum of $500,000 for the relief of war refugees in Shansi province, in addition to the sum of $350,000 appropriated earlier in the year for the same purpose. The regulations governing the Kansu Province reconstruction loan of the coming year, it was also learned, were approved recently by the Executive Yuan.

Kwangsi has intensified its reconstruction program more than ever before since the complete withdrawal of Japanese troops from the province. Under the direction of Gen. Huang Hsu-chu, Chairman of the Kwangsi Provincial Government, and Gen. Chang Fah-kwei, both economic and political conditions of the province are gradually returning to normality.

Cities and towns formerly deserted as a result of Japanese occupation now gradually are being thronged with repatriated people. More than 30,000 refugees were reported to have returned to Nanning, former provincial capital of Kwangsi. In accordance with the Six-Year Opium Suppression Program, the Kwangsi Provincial Government has further ordered the total suppression of opium smoking in this province by the end of this year.

The discovery of a new salt field at Kaiyang, central Kweichow, lent impetus to economic reconstruction in Kweichow province. Drilling operations were reported to have been successfully carried out in the newly discovered salt field. According to Mr. Chu Ting-ku, salt expert of the Ministry of Finance, which is now supervising the drilling operations, salt contained in the Kaiyang field is sufficient to meet the requirements of the entire province.

Profiteering Fought

Government efforts to suppress food hoarding and to relieve the peasants of exhorbitant interest rates highlighted the recent economic reforms in Free China. To combat food hoarding a set of revised measures governing the suppression of hoarding of articles of daily necessity was jointly submitted at the meeting of the Executive Yuan on Nov. 26 by the Ministries of Interior, Finanace, Economics and Agriculture and Afforestation. An order prohibiting exhorbitant interest charges on loans granted to peasants was sent to all Chinese provincial Governments on November 23 by the Executive Yuan. The order sets the maximum interest rates to be charged at 20 percent.

The Inheritance Tax, which was first enforced throughout the country on August 1 this year, is reported to have gained satisfactory results. Reports from Kwangsi, Chekiang, Fukien and several other provinces state that the tax has been enforced smoothly according to original plans. With a view to promoting the savings movement, the Central Savings Society has decided to issue lottery or premium Savings Bonds this month. The first public drawings will be held in Chungking on January 21 next.

New Stock Market to Be Opened in Shanghai Monday; Chinese Making Effort to Promote Enterprises

BY HARPER WANG, M. A.

On Monday a new Chinese stock market will start business in Shanghai. It will be located at 270 Peking Road.

The new market has been organized by 13 of the 17 trust companies and banks which are members of the Trust Association of Shanghai. Trading will be in the shares of Chinese companies of which 74 have so far been listed.

The purpose of this market—the Chinese Stock Development Committee—is, according to an announcement, to "promote the flow of capital into large scale Chinese enterprises; to facilitate the conversion and diversification of investments; and to carry on economic research as well as to assist in the development of financial, industrial, and commercial enterprises in China."

To this end the committee of 13 trust companies has appointed seven secretaries. They have been entrusted with supervising the operation of the market. Also they will periodically examine the financial condition of all limited companies whose shares are listed on the exchange.

The appointments of these secretaries are valid for one year.

Each of the 13 trust companies represented on the committee is entitled to appoint, besides its own representative, two floor members. There will thus be 39 members entitled to trade on the floor of the market. They will wear special badges during the hours of trading—from two to three o'clock every afternoon except Sundays and holidays.

Members will keep their own records; the representatives of the committee as a whole will act as witnesses. They will also settle any disputes; their judgement being final.

At least once each month the full committee will meet. The chairmanship will pass in turn to each member. A special meeting may be called at the instance of any three members. A majority of the committee will be regarded as a quorum and the majority of the quorum may make any decision.

Losses or profits from the operations of the market will be divided **pro rata** among the 13 trust companies who are members of the committee.

A fee of .02 (two hundredths) percent of all transactions will be collected by the committee. Members, when acting as brokers, will be allowed to charge a fee of one half of one percent on all orders, with a minimum of two dollars on each transaction. These fees will be divided two fifths to the committee and three fifths to the member. However, the floor member will give an additional one fifth to the trust company which has nominated him. He will thus retain two fifths of all fees for himself.

Blackboard Listing

Every Monday will be settlement day.

At the start of each session stocks for sale will be listed on a blackboard by floor members. These will then be called off according to the Chinese dictionary order of the companies' names. Unless specifically withdrawn, those shares offered but not sold will be held over until the next session.

All quotations will be in Chinese National Currency. The minimum price change will be five cents.

While the guiding principles of investment everywhere—stable, reliable securities; good returns; an active market—are equally valid in China, certain difficulties have acted here to retard the development of stock exchanges, it is declared. Among these has been the relatively small capitalization of Chinese companies; the close holding of securities; the tendency on the part of the management of Chinese enterprises to conceal the details of their businesses and accounts; and the involved and complicated procedure required to transfer shares.

Although there are a certain number of bearer shares in circulation in China, these are extremely limited as compared with the amounts of such securities circulating in the United States and Europe. In fact, Chinese law prohibits a company from issuing more than one third of its stock in bearer certificates. In practice this limit is almost never reached.

Transfer Provision

Some Chinese stock certificates are provided with a column in which a legal transfer may be noted in the handwriting of the original owner to the buyer. This, however, is not the case with the majority of Chinese stock certificates. Transfer often involves a complicated procedure of chops and recordings.

Laws governing the incorporation of Chinese companies include certain provisions which must be fulfilled and a second category which are regarded as desirable but not always enforced. The first group provides that each Chinese limited company must have at least seven promoters. Also the Chinese authorities must be fully informed concerning the proposed company's name, business, number of shares to be issued, value of each share, the locations of the main and all branch offices, the ways and means by which it proposes to achieve the objectives set forth in the application, the qualifications of the trustees and managers, and the names of the promoters.

Those organizing the new enterprise have been asked to state their reasons for organizing the company, how it can be dissolved, the actual value of the stock and the dates on which it will be issued, the privileges enjoyed by the promoters, the names of any other persons who will profit by the enterprise, and in actual figures the amounts each promoter is subscribing.

Shareholders' Rights

Companies in which all the stock is bought by the promoters are called by the Chinese "promoters establishments". Others are known as "subscribers' establishments". Chinese law specifically recognizes both these varieties of limited companies.

Also by custom at least, the rights of shareholders are differentiated. The so-called "promoting shareholders" enjoy the right to determine the distribution of profits, preference in subscribing to further stock issues, the right to examine all the records of the company, and the right to vote. "Minor shareholders", on the other hand, are privileged to request that a meeting of shareholders be called, to call for an examination of the property of the company and the condition of its affairs, and to interpellate trustees and supervisors.

Furthermore, Chinese law provides that no single shareholder may own more than one fifth of all the stock of any company. It also recognizes two kinds of stock certificates: registered stock, and in article 118, bearer stock.

By custom, the transfer of shares of registered stock has come to be divided into two processes: what is known to the Chinese as the "big process" and the "small process". In the "big process" the certificate is actually returned to the company's office for transfer. In the "small process" use is made of the column provided for endorsing it over to the new owner.

Stocks Not Paid Up

Practice in China also recognizes a type of stock in which only part of its value has been paid by the subscriber. Such stock is issued to an investor—usually a person of known financial standing—who holds himself liable for the full amount but pays only a portion. It is understood that he is to complete his payments to the company at a later date, but frequently the company does not press for payment, the money due acting as a reserve fund which could be drawn upon in case of need.

In certain instances Chinese companies have been organized and their stock issue guaranteed as to dividends. These shares are known as "guaranteed stock." The guarantor is usually the Government, but sometimes it is another company or old shareholders.

Buying and selling of foreign securities in Shanghai among Chinese started towards the end of the last century, chiefly among tea and silk merchants and the compradores of foreign steamship companies. These early traders habitually gathered in a certain tea house on Nanking Road. Later they met on Foochow Road, and then the rubber panic of 1907 gave great impetus to Chinese interest in foreign stocks. In 1914 a Shanghai Chinese Merchants' Stock and Commercial Society was formed. It first had 12 and later 15 members. Its offices were on Kiukiang Road.

After the World War it developed into primarily a bond market. Before it suspended operations in 1937—owing to the war—it handled some $40,000,000 to $50,000,000 of bond transactions daily.

At the present time about $1,000,000 worth of bonds are traded daily on the local "black bourse."

"Smile, and the world smiles with you"—an optimistic outlook in these uncertain days is an encouragement to others, so keep your spirits up by keeping fit.

Pinkettes tiny laxative pills, are a splendid aid to health. Without griping or purging, Pinkettes dispel constipation, correct liverishness, prevent biliousness and sick headache, assist digestion, banish, pimples, purify the breath, relieve piles. In short, they are laxative perfection.

PINKETTES

Keep You Cheery and Well.

Make it the BIG gift this Christmas

with a KODAK *Bantam*

This Palm-Size Camera Leads to BIG PICTURES!

THE new Kodak Bantams are about the handiest cameras ever designed. Little more than four inches long, they carry in pocket or hand-bag with utmost ease. And most amazing of all, the unique Bantam principle affords—through modern finishing methods—pictures bigger than the camera itself, at a remarkably low price. Kodak Bantam is available in a selection of four lenses. Uses the most inexpensive 8-exposure rolls of Kodak Films. Get full details about these "big-picture" midgets at your Kodak dealer's.

EASTMAN KODAK COMPANY

185 Yuen Ming Yuen Road, Shanghai.

Quezon-Sayre Feud Revived Over President Roosevelt's Approval Of Amendments

A storm in the Philippines tea-cup broke loose in Manila on December 9, when President Manuel Quezon left his sickbed, summoned a press conference, and bitterly assailed Philippines High Commissioner Francis B. Sayre for having voiced the opinion that President Roosevelt had the power to disapprove amendments to the Philippines Constitution.

"I am not going to beat around the bush, "President Quezon told the press conference. "For the High Commissioner, who appears to be such a lover of liberty and democracy, to make such an avowal was to assert a terrible principle at variance with all the principles of democracy."

The bone of contention which revived the now recognized feud between Mr. Sayre and Sr. Quezon was, according to the latter, the utilization by the High Commissioner of his press conferences to voice opposition to bills pending before the Phillipines Assembly.

Mr. Sayre had previously discussed the four amendments to the Philippines Constitution recently approved by President Roosevelt, to permit Sr. Quezon to run for the Presidency for another term and create a bicameral legislature instead of the unicameral legislature now existing.

Continuing his attack on Mr. Sayre, according to a **United Press** message from Manila, President Quezon declared that the Tydings-McDuffe Independence Act was intended to give the Filipinos full responsibility to establish their own Government subject to certain limitations which Congress had clearly defined.

Power Defined

Sr. Quezon contended that as long as the amendments to the Philippine constitution did not violate these limitations, the President of the United States could not legally disapprove them.

The President of the Philippine Commonwealth said he thought that the best answer to Mr. Sayre's statement was the fact that President Roosevelt approved the amendments.

If Mr. Sayre wanted to discuss the issues through his press conferences, he would find Sr. Quezon "a willing co-operator as I always enjoy arguing with the Commissioner or with anyone else," Sr. Quezon said.

Recalling the long-standing friction between the High Commissioner and Sr. Quezon, little suprise was felt in the Bureau of Insular Affairs, according to a message from Washington, at the "flareup" in Manila. It was believed in "informed quarters" that President Quezon's words reflected more his personal friction with Mr. Sayre than resentment over this particular issue.

Legal experts in Washington were of the opinion that Mr. Roosevelt had absolute legal power to approve, disapprove or legalize without approval the four amendments.

MILITARY OBJECTIVES

The London correspondent of the "New York Herald Tribune" reported to his paper from Coventry that about 20,000 houses of the previous total of 63,000 houses in Coventry had been destroyed. "In view of the strict censorship, the correspondent did not give any figures as to destroyed factories and armament plants," states Transocean.

REVIVAL OF RONINS FEARED IN HONGKEW

Fears that there would be a revival of Ronins in the northern areas of Shanghai in general and the Hongkew area in particular were voiced early this week, when Japanese residents began to organize themselves into "vigilantes" for the purpose, apparently, of taking the law into their own hands following the failure of the Japanese gendarmes to afford them sufficient protection, while still preventing the Shanghai Municipal Police from functioning fully in the area.

What was described by the **Shanghai Mainichi** as a "vigilance corps" was organized last Saturday for this purpose by members of more than 70 Japanese residents in the neighborhood of Chapoo Road and Wuchang Road. So long as these organizations were confined to genuine householders for the purpose of self-protection, it was observed, there would be nothing to fear, but it was foreseen that criminal elements might take advantage of the scheme to form terroristic organizations themselves.

Fishery Talks Start

According to a dispatch from Moscow the Japanese Ambassador, Y. Tatekawa, has initiated discussions with Soviet Foreign Commissar Molotov on the question of an extension of Japanese fishing rights in Russian Far Eastern waters. The fishery concession has been renewed on a yearly basis in recent years.

More Than Ever
This Year
a
HOLIDAY
GREETING
MESSAGE

will be appreciated by wives, families, and business friends.

"Via RCA"

Special low rates to most countries for messages delivered on attractively designed forms.

•

For Particulars
PHONE: 12558

R.C.A.
Communications,
Inc.

(A Radio Corporation of America Service)
Sassoon Arcade
Nanking Road

Chinese Determined, Declares Madame Chiang In Broadcast Appeal To U.S.

"The Chinese are resolute in their determination to continue to fight for those fundamental principles of humanity, freedom, justice and equality which you in America hold dear," declared Madame Chiang Kai-shek in an appeal broadcast to the United States by the NBC network on November 14.

The appeal inaugurated a drive for funds by the United States China Emergency Relief Committee in aid of China's sick and wounded, and was relayed from Hongkong. There was a dramatic interruption in a philharmonic symphony orchestra program when the announcement was made at 7.45 p.m. that the broadcast would be made.

In her moving appeal, Madame Chiang asked her American friends to help succor China's sick and wounded. The realization of the fundamental principles of humanity, she declared, could only be attained if all were willing to work for them unceasingly, suffer for them uncomplainingly, and fight for them courageously.

There was a spontaneous and tremedous response to Madame Chiang's four-minutes broadcast, according to a cable from Miss Pearl Buck, who organized the Committee, of which Mrs. Franklin D. Roosevelt is chairman. The very next morning the Committee received a sack full of big and small checks, congratulatory messages from all over the country.

The following was Madame Chiang Kai-shek's radio speech in part:

"Friends in America, in speaking to you to-day, my first words must be words of gratitude for all the unselfish effort that has made possible the organization of what Miss Pearl Buck and her colleagues have so graciously called the 'Committee of Tribute to China,' and of appreciation for the fine conception underlying the 'Book of Hope.'

"Constructive Hope"

"You are giving us both help and encouragement, but what is more—you have faith in our cause and understanding of the world-wide significance of the issues involved in our struggle. China needs the assistance of all her well-wishers. When it comes, however, as an act of constructive hope, rather than negative charity, it is doubly welcome.

"I have been asked to speak of relief needs in China. I prefer to dwell rather on the attempts being made by our people to meet those needs than merely on the needs themselves. I might spend all my time talking about the refugee children in whom the women of China have taken so much personal interest. Our war orphanages have achieved something which may be called unique in child education, but with the rise in the cost of living, these little Communities need, more than ever before, assistance additional to government support. These children represent the hope of future China. From their bitter experiences they have learned unity, as the whole of China is learning.

"Then there are the refugees in general. The National Relief Commission, under the chairmanship of Dr. H. H. Kung, has aimed to find a livelihood and occupation for the dispossessed. It has settled some six hundred and thirty thousand people on reclaimed land. It has established factories for refugees, and has also subsidized a large number of industries for the same purpose.

Thomas Kwang Photos

Ambassador Nelson T. Johnson attended meeting and delivers an address before the members of the Sino-American Cultural Relations Association at Chungking, Nov. 6. Picture at the top shows the Ambassador purchaseing a ticket in Madame Chiang's raffle for war orphans. The chief prize was a silver fox fur. The raffle netted $8,000. Dr. Kung is shown delivering an address in the lower picture.

"My frequent visits to military hospitals and those for victims of bombing raids have made me acutely aware of the vital problem of medical relief. The temporary closing of the Burma Road has so depleted our medical supplies that major operations are still being performed without anaesthetics. The sight of men, women, and little children being tortured in agony, and our utter helplessness to alleviate their pain, are experiences which I am sure even the people in war-torn Europe do not know, and which I hope will never befall them.

Medical Supplies Needed

"Happily, the Burma Road is now reopened. I hope, therefore, that henceforth with the help of friends we may

廣東銀行

有限公司

THE BANK OF CANTON, LTD.

(INCORPORATED IN HONGKONG)

HEAD OFFICE:

6 Des Voeux Road Central, Hong Kong

PAID-UP CAPITAL - - - - - HK$7,793,390.00

GENERAL RESERVE - - - - - HK$1,500,000.00

BRANCHES SHANGHAI HANKOW
CANTON TOISHAN
BANGKOK

SUBSIDIARIES: SAN FRANCISCO MACAU

Agents in all principal cities of the world.

Every Description of Banking and Exchange Business transacted.

Gen. Ku Cheng-lun Made Kansu Gov't Chairman

The following appointments and transfers of officials in the National Government were reported in **Kuomin** dispatches from Chungking during the week: Gen. Ku Cheng-lun, recently appointed Chairman of the Kansu Provincial Government, has assumed his office. Other Kansu officials who have assumed their posts, include Wang Soufang, chief secretary; Cheng Cheng-yu, Commissioner of Civil Affairs; Chang Hsin-I, Commissioner of Reconstruction; Yang Hsuan-chang appointed Rear-Admiral in the Chinese Navy; Fang Piao, chief technical expert of commissariat in the National Army, promoted to rank of Superintendent of Commissariat; Cheng Lo, chief technical expert of Commissariat, 2nd Class, promoted to 1st class; Lieut.-Col. Ting Chi and Lt.-Col. Chiang Chi-liao, in the National Air Force, promoted to the ranks of Colonel; Sun Hsiao-lou appointed Counsellor of the Executive Yuan; Ma Pei-lieh appointed member of Chinghai Provincial Government, and concurrently Commissioner of Finance of Chinghai in succession to Tan Ku-min, who was transferred to another post; To Jen-chih, Pai Chih-I, Hsu Shih-chi and Hsi Shang-chien appointed members of the Shansi Provincial Government; Wan Chang-yen, Commissioner of Education in Anhwei in succession to Fang Chih, member of the Anhwei Provincial Government, who was relieved of his concurrent duties; Chou Chung-I appointed Secretary of the Tsien Jen rank in the Ministry of Interior; Li Mou appointed Peace Preservation Commander of the 8th Kiangsi area; Chuan Chao-yang as Provincial Commissioner of Civil Affairs in Hopei province.

Japan Stops U.S. Films

The **Japan Times and Advertiser** reported on Dec. 4 that no further American films will be shown in Japan for the remainder of the present year due to difficulties experienced by the eight American film concerns represented in Japan. It was stated that no films can be imported without prior permit of the Ministry of Finance and the permit must be obtained when the film is ordered, otherwise the Board of Censors may ban the picture after arrival. Previously films could be held in bond in Yokohama and could be advertised as soon as a release was granted by the censors. Aside from the censorship regulations, theaters are required to limit American films to a small percentage of the total shown.

obtain the essentials of medical supplies.

"In spite of reduced incomes, due to three years and four months of war, my countrymen, both at home and abroad, are continuing to contribute generously for relief purposes. For example, the Chinese National Women's Relief Association has subscribed over fifty million dollars in supplies and money since the beginning of hostilities. But so immense are the needs for relief that this sum is but a drop in the proverbial bucket.

"We are now facing the fourth winter of war against Japanese aggression, and it is going to be the hardest, for each day of sustained resistance entails greater suffering, more loss of lives and a bigger drain on our national resources. For what, you, our American friends, are doing to help succor our sick and wounded, China sends her heartfelt thanks."

Are you compelled to ask others for the correct time, look at clocks in public places, *while wearing a watch yourself?* If so, you are probably not the owner of a Tissot.

Watchmakers say that two out of five watches sent for repairs have nothing wrong with their mechanism except that it has been magnetized. Even simple electric conveniences such as telephones, radios, toasters, irons, etc., radiate electro-magnetism which affects the accuracy of even the finest watches.

TISSOT, the non-magnetic watch, is impervious to magnetic influences, and keeps correct time under the most severe conditions. Wear a TISSOT—not a watch that varies from day to day—and be sure of the correct time, always!

Obtainable at all high class jewellers and department stores.

Tissot

The Non-Magnetic Watch of Guaranteed Quality

Sole agents, CROBEST LTD., 320 Kiangse Road - - - - Shanghai

Speculation in Rice Market Shows Abrupt Decline; Plan to Establish Official Public Granary Approved

Although officially declared to have been the result of the setting of a new price limit by the Rice Price Fixing Committee, an abrupt decline in speculation on the Shanghai rice market early this week was unofficially and more logically attributed to the S.M.C. announcement that approval finally had been given in principle to the establishment of a public granary.

While the Shanghai Municipal Council failed to bring into operation, as for long it had been urged to do, the full powers bestowed on it under the Emergency Decree which is still in force and regulations for the maintenance of public peace and order under which may be applied at any time, general approval of the plan announced last Monday was voiced, and in combination with more effective price-fixing, it was hoped that the staple grain might yet be brought within the reach of the poorer class Chinese.

It was noted when the market opened on Tuesday that sellers were mostly in evidence, and as the result of the dumping of large quantities of hoarded rice, prices dropped sharply, at one time by as much as $1.50 lower than the official price of $87 per Zar for No. 1 Saigon. At this price, however, rice in sufficient quantities was still far beyond the means of middle class Chinese families.

Council officials and rice traders blame Japanese restrictions for the high cost of native rice, and the unfavorable exchange rate for the high cost of imported rice, discounting the theory that hoarding for the purpose of speculation has been prevalent. These statements, however, contrast oddly with the repeated official assurances, even when rice zoomed to an all-time high record price of $100, that there were sufficient stocks of rice in the city to last for three months or more. Actually, it is generally accepted by a more cynical public which has had to foot the bill, that not even the rice traders themselves can estimate the amount of rice hoarded in various parts of Shonghai out of sight of the official eye.

While greeting the announcement of the Price Fixing Committee, the general public also recalled with some bitterness that all action taken previously by the Committee proved completely ineffective, since trading was simply done off the market, and no attempts were made to punish profiteers, other than a few miserable shop-keepers who were hauled triumphantly into court as the best available victims to be thrown to the lions.

Proposed By Yu Ya-ching

According to the S.M.C. communique on the subject last Monday the plan for a rice granary was proposed by Mr. Yu Ya-ching, oldest Chinese member of the Shanghai Municipal Council, and wealthy Shanghai merchant.

Mr. Yu Ya-ching was stated to have proposed at a meeting of the Council that the rice trade should subscribe 60,000 bags of rice, other trade guilds 40,000 bags, Chinese banks 50,000 bags and Chinese philanthropists 50,000 bags, bringing the total to 200,000 bags.

Representatives of the rice trade had agreed to the plan in principle, it was declared, and were electing four delegates to discuss further details with the Chinese Councillor. Neither the Settlement nor Concession Councils would be required to finance the scheme, it was declared.

It was proposed, said the S.M.C. communique, that in order to increase the local rice supply the leaders of the rice trade should as soon as possible place orders for the importation of 100,000 bags of foreign rice from Rangoon or elsewhere. After discussion the representatives of the rice guilds at the meeting undertook to place orders for this number of bags of rice before the end of the present month and as soon as orders for 100,000 bags of rice have been placed for shipment to Shanghai their representatives will report to both Councils. This quantity is apart from the granary scheme.

"Unsatisfactory" Market

Mr. T. K. Ho, deputy secretary, referred to the unsatisfactory state of the rice market, specially regarding speculation, since no deposit is required at present when rice is purchased in the market and the time of taking delivery is not definitely fixed. After discussion representatives of the rice guilds in attendance unanimously agreed to introduce a new regulation in the rice market effective from last Thursday that a deposit of $5 per bag be made by purchasers on the day transactions are concluded in the rice market and delivery must be taken on full payment within five days from the date of the conclusion of the transaction.

The matter of rice prices was also discussed. Representatives of the rice trade explained that if prices were fixed for too long a period they might not be practical should the general rice situation change suddenly and, if prices were fixed at too low a level, the importation of foreign stocks might be discouraged. They therefore suggested that the Rice Price Fixing Committee, which has not been in operation for many weeks, should again resume its meetings and fix rice prices from time to time taking into consideration the conditions of the rice market and other factors then prevailing .

Hongkong Controls Prices

The Hongkong authorities also have taken steps to control speculation in rice according to a recent message from the Colony. Alarmed after prices had soared by Hk$4 and Hk$5 a picul in the Hongkong rice market, a number of provisional emergency regulations were announced.

According to these regulations the prices of first and second grade rice will be limited to 15 HK cents a catty or 75 cents for five catties, while lower grade rice will be sold at not more than 14 cents a catty or 68 cents for five catties.

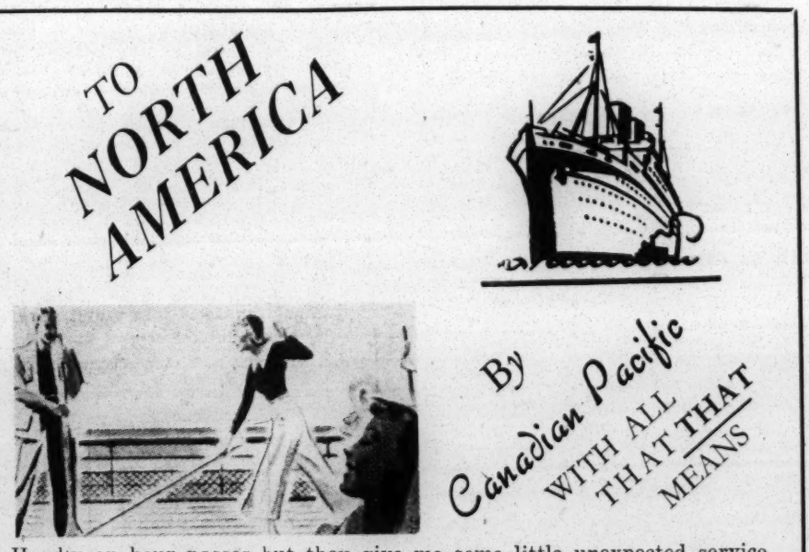
The price of poor quality rice was set at 12 cents a catty or 58 cents for five catties.

Chungking Acts

The price of rice in Chengtu and Chungking, which had been skyrocketing during the past few weeks, began to drop somewhat from November 27, indicating the success of the Government's anti-profiteering drive and the increased dumping of rice on the market, states a **Havas** message from Chungking.

General Chiang Kai-shek's strong statement to the district magistrates, giving them ten days in which to report large-scale hoarders of rice, is expected to have considerable effect.

In Chungking itself, 1,000 piculs of cheap rice were placed on sale for minor officials and the poorer population, beginning on December 1.



Hardly an hour passes but they give me some little unexpected service and what grand deck sports and parties.

..then the thrill of travelling on air conditioned trains across Canada... Convenient connecting train service to U.S. points.

SAILINGS: TO PACIFIC COAST—

Fourth week in December — Second week in March.
Second week in February — First week in April.

TO HONGKONG AND MANILA—

Third week in December — Second week in January.

Canadian Pacific

WORLD'S GREATEST TRAVEL SYSTEM

The Bund and Peking Road, Shanghai Telephone 19490

THE
CENTRAL BANK OF CHINA

A BANKERS' BANK

HEAD OFFICE :
CHUNGKING

SHANGHAI OFFICE :

Telephone: 74430 Cables: "Governbank"

BRANCHES :

SHANGHAI	Swatow	*Nancheng*	*Nankiang*
HANGHSIEN (Yungkang)	*Kongmoon*	Lanchow	*Tzeliutsing*
Ningpo	WUCHOW	*Tienshui*	*Nanpu*
Chuhsien	Kweilin	Kweiyang	*Mienyang*
AMOY	TIENTSIN	*Panhsien*	*Loshan*
Foochow	Peiping	KUNMING	*Kwangyuan*
Tsinkiang	NANCHANG	*Mengtsu*	*Santai*
Nanping	*Kian*	CHUNGKING	*ICHANG*
Chienou	*Linchwan*	Chengtu	*Hankow*
Pucheng	Chengchow	*Wanhsien*	Changsha
Santuau	Kaifeng (Nanyang)	Ipin	Changteh
Kulangsu	*LOYANG*	Yaan	*Hengyang*
CANTON	Sian	*Kiangtsing*	*Lingling*

FOREIGN CORRESPONDENTS :

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA AND HONGKONG

Honda Sent to Nanking in Effort to Patch Up Breach Caused By Axis Cold-Shoulder to Wang Government

As General Nobuyuki Abe, special envoy to the Nanking Government, sat down at a table at Nanking on December 30 to sign a pact with Mr. Wang Ching-wei, President of the Puppet Government, binding the two political entities in an economic and military agreement, speculation was rife that the Axis soon would recognize the Wang Government and draw it into the folds of the Fascist alliance.

This was no mere drugstore gossip. Many leading officials, both at Nanking and Tokyo, were discussing it. Wang organs in Shanghai and his news service were flaunting it. And most major Tokyo newspapers wrote in such a vein as to consider mutual Axis-Nanking recognition virtually assured.

Wang, courting Germany and Italy, had been vociferous in his praises of the totalitarian powers. He had compared the "great new order in Europe" to the "new order in greater East Asia" and described them both as something wonderful in kind—instruments of the new destiny of man as he plays his role in the universe.

Two weeks now have passed since that day in Nanking when Wang sold his birthright to the Japanese by signing the accord for "mutual benefit"—the kind of mutual benefit which places occupied China under even more rigorous Japanese control than in the past, and with little hope for its being withdrawn for many a month.

Two weeks have passed since Wang sold out once again in his bid for power—the kind of power popularly known as "puppet" power by blunt-spoken observers.

Two weeks have passed—and what of Italy and Germany? What of the predictions, such as the one in the Tokyo **Asahi** on December 1 of "the early recognition of the Nanking Government by 'friendly powers' in quick succession—that the East and West may respond to each other's efforts for the creation of a new world order?"

The answer is that to this date exactly nothing has come of these predictions. There has been not a peep out of either Rome or Berlin indicating that Nanking even would be recognized, much less be drawn into the Axis. There has been no sign that either Chancellor Adolf Hitler or Premier Benito Mussolini have a care that Nanking exists.

The Japanese evidently were going to do their utmost to see that Nanking would "measure up to and qualify for the Axis." They have been, and promise to continue, exercising totalitarian privileges in occupied China. And they have been teaching Chinese officials of the Nanking Government to use many a tool of the totalitarian trade.

Honda Made First Envoy

Last week Japan took a further step in the direction of seeking to align Nanking and the Axis. They appointed as successor to Abe a new Ambassador to Nanking, Mr. Kumataro Honda.

Mr. Honda is peculiarly qualified for the position. He is an ardent admirer of the totalitarian system and had the rare privilege and honor of serving as Ambassador to Berlin and Ambassador to Rome where he still is well known and respected. In addition, he is the type of person who may be depended on to bend his energies toward cultivating Nanking in the direction of the Axis.

Many observers felt that Honda in all probability was dispatched to Nanking because of the favor there his presence would curry with the Axis.

Meanwhile, Soviet Russia announced officially that the pact between Wang and Abe makes no difference in her essentially friendly relations with Chungking. This was a blow both to Nanking and Japan, for officials of both countries were said to have believed that the signing of the accord would have turned Russia's favor from Free to Puppet China.

A special correspondent of the London **Times** learned through the remark of a Wilhelmstrasse spokesman that Berlin attached the utmost importance to the maintenance of existing normal relations with Chungking.

Nazis Busy Elsewhere

Germany apears indisposed to contemplate any steps in the Far East which would be likely to prejudice her relations with the Soviet Union—which already has stated emphatically that it will supoport Generalissimo Chiang Kai-shek.

Italy, of course, hovers in Germany's shadow, and as long as Berlin is cool to Nanking, it may be expected that Mussolini will follow a similar course.

The United States and Great Britain, on the other hand, repeatedly and emphatically have emphasized, both through word and deed, that they are sticking by—and need the support of—Free China. So, while Nanking has failed to gain support as a result of the December 30 pact, Chungking has picked up considerably enlarged support. The announcement of $100,000,000 in cash and credits for China made by the U. S. the day Abe and Wang signed their pact is an indication of American feeling.

It appears, then, that Nanking has been—and will be—rebuffed by the Axis, specifically as far as recognition and entrance into the tripartite fold are concerned.

But Nanking has not been the only half of the "new order in Greater East Asia" entourage to be rebuffed recently. Japan hereself has taken a smarting rebuff, and taken it sitting down.

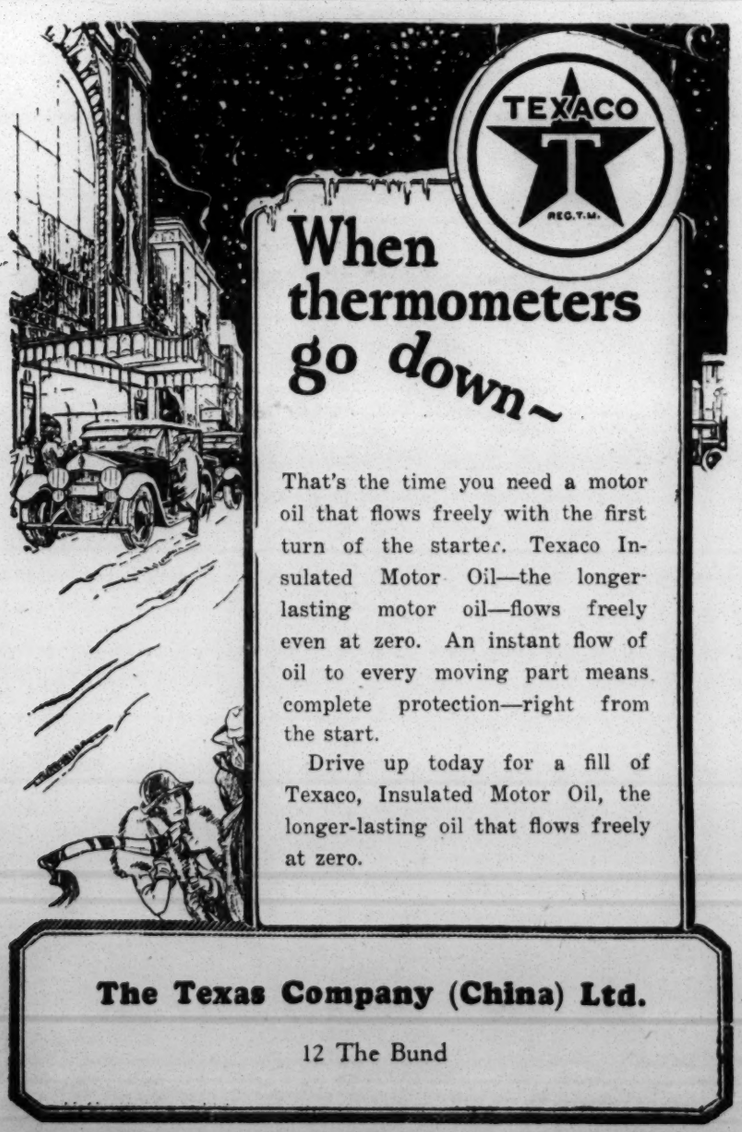
It has been fully two months now since General Yoshitsugu Tatekawa, Japanese Ambassador to Soviet Russia, set out for Moscow from Tokyo for the express purpose of talking over with Stalin himself the possibilities of closer Japanese-Russian co-operation, perhaps even to sign a pact.

Tatekawa's Mission

At least Tatekawa arrived at Moscow. But, Japanese reports to the contrary—and this is taking the word of **Tass**, official Russian news agency—he never saw Stalin.

And Japan and Russia are just as far apart now as when Tatekawa left Tokyo.

He did interview Viacheslav Molotov, Soviet Commissar for Foreign Affairs, however, but the satsfaction that he re-


TEXACO
REG. T. M.
When thermometers go down~
That's the time you need a motor oil that flows freely with the first turn of the starter. Texaco Insulated Motor Oil—the longer-lasting motor oil—flows freely even at zero. An instant flow of oil to every moving part means complete protection—right from the start.
Drive up today for a fill of Texaco, Insulated Motor Oil, the longer-lasting oil that flows freely at zero.
The Texas Company (China) Ltd.
12 The Bund

ceived from the Russian Foreign Minister evidently was nil, for Russia is continuing her material aid and moral support to China.

Since he saw Molotov there has been no news report indicating that Tatekawa has been otherwise active in Moscow. One conclusion to be drawn is that he is not wasting his time attempting to enlist Russian support for Japan against Chungking, since he sees the objective is hopeless.

Thus, out of this welter of power politics emerge a number of important conclusions:

Firstly, that Nanking has not and is not likely to receive Axis support.

Secondly, that Japan has not and is not likely to receive Russian support.

Thirdly, that Chungking is in a better position than ever, with stronger support than ever from the United States and Great Britain.

Abe Declares Intention of Telling Japanese True Conditions in China

The future of neither Japan nor China exists in the written Sino-Japanese basic treaty but it does exist in the mental attitude and preparedness of the peoples of the two nations, General Nobuyuki Abe, retiring Japanese Envoy and Ambassador Plenipotentiary to Nanking, declared in a press interview held at the Astor House Hotel at 4 o'clock Wednesday afternoon.

Recalling his efforts to bring about the conclusion of the Sino-Japanese treaty during the past several months, the Japanese Ambassador modestly ascribed the successful conclusion of the treaty to the enthusiastic support of the Japanese nation and the sincere efforts of both the Japanese and Chinese delegates.

"We have however, taken only the first step in adjusting diplomatic relations between Japan and China," General Abe said. "All must work to bring about the main objectives."

General Abe recalled an article by President Wang Ching-wei published in the **Central China Daily News**, clarifying the self-consciousness of a responsible person in charge of the reconstruction of New China, and emphasized that the Japanese people must entertain the same determination as Mr. Wang in envisaging the establishment of a "New Order in East Asia."

In this connection, General Abe expressed his determination to make every effort to cause the Japanese people to fully recognize the spirit of the new treaty and new China and consolidate in its prepardness.

In conclusion, the retiring Ambassador said that, should circumstances require, he was fully prepared to go on a walking tour to bring home to all the Japanese people the spirit of the treaty with China and the necessity for full national preparedness, just as Tokiyori Saimyoji, fifth Shogun of the Hojo Shogunate, in feudal times of Japan, observed the conditions of the people in his tour disguised as a monk.

MADE with EXTON
Du Pont's new bristle-like filament, made exclusively for
The New
Dr. West's
Miracle-Tuft
TOOTHBRUSH
Get yours today
At last the perfect tooth brush! Can't get soggy, can't shed, cleans teeth better than ever before possible. Lasts longer.

Factory Sales Representatives:

Ove Asp — Sales Representatives of Dodge & Seymour, Ltd.

51 Canton Road - Shanghai

SHANGHAI 興祥泰 TEMPLE

CHINESE PORCELAIN, ANTIQUES AND ART FURNITURE

ZING HSIANG SHING & CO.

198 Nanking Road. Tels.: 14717 & 13937

SHANGHAI

BANK OF CHINA

The Specially Chartered International Exchange Bank of China

With Branches and Sub-branches throughout China, and Agencies and Correspondents all over the world, this Bank offers all kinds of banking facilities to meet your personal and business requirements.

624 Avenue Joffre · Shanghai, China

Lack of Japanese Initiative in China Campaign Reflects Military Uncertainty Over Tokyo Diplomatic Moves

For the first time since September, 1937, the Japanese military machine showed a complete lack of initiative in the China campaign last week. Apart from one or two minor moves by the Chinese, the Far Eastern war front almost might be said to have been quiet. The Japanese army authorities abandoned their claims to decisive military successes in Hupeh, the southwards expansion movement hung fire and the autumn offensive failed to eventuate. The Chinese themselves were left up in the air after having prepared themselves on all fronts for a long promised assault.

What had happened was that while the Japanese and Chinese forces had maneuvered into positions for the winter struggle, the war front had been shifted from the plains and hills of China to the diplomatic venues of Tokyo, Washington, London and Chungking, and of the envoys represented at each of these three centers, Tokyo's Ambassadors alone were unable to produce the right answers. Silver bullets were replacing paper and verbal slugs.

The interval, nevertheless, afforded an opportunity to survey the field as it stood.

There is but little doubt that the Japanese suffered reverses in Central China during the past three weeks, and there is definite proof that the Chekiang offensive was repulsed by the Chinese with the Japanese suffering losses. General Ho Yin-ching claimed, and his claims have not been challenged, that as a result of a Chinese counter-offensive in the Han River region, the Japanese had been thrown back with casualties which mounted to over the hundred thousand mark. Similarly in the Chekiang offensive, the Japanese were repulsed after having reached Shiaoshing, which they were able to hold for less than two days.

Japan's drive in Central China, it was pointed out by General Ho Yin-ching, had three objectives: a victory to celebrate the recognition of Wang Ching-wei's Nanking government, the defeat of a strong force of Chinese troops operating in north-west Hupeh preparatory to an attack on Siangyang and Fancheng, and the relief of Chinese pressure on the Japanese flank at Ichang and Shasi.

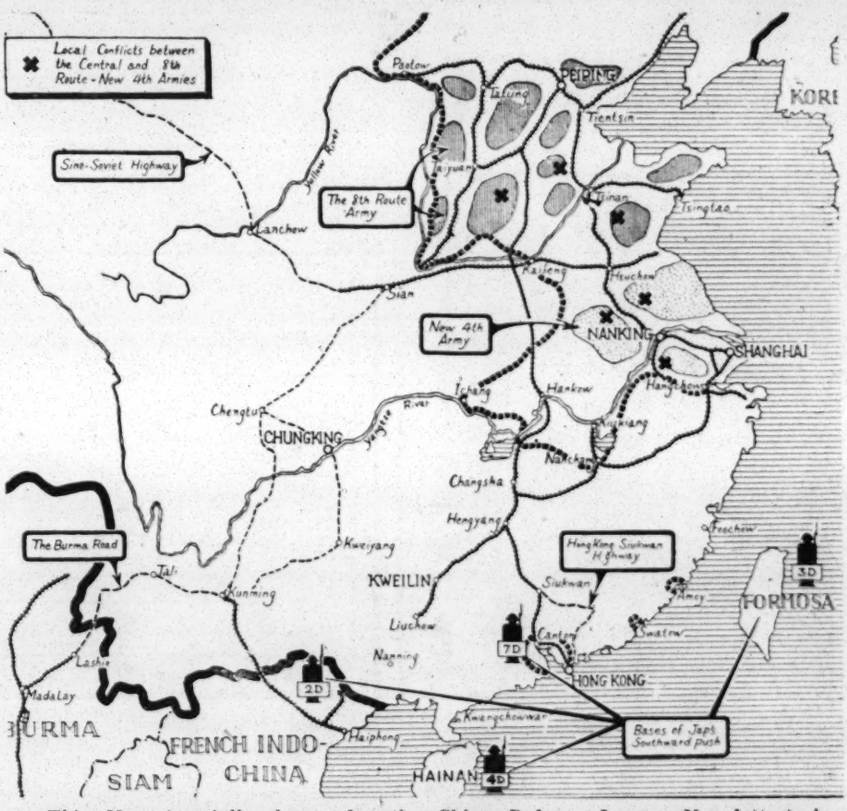
Trap Or Genuine?

Commenting on the Japanese campaign, the **Chen Yen Pao** at that time stated that the Japanese by a series of withdrawals from China, such as those in Chekiang and Kwangsi, were attempting to draw the Chinese forces into position for minor attacks, which could be expected wherever the Chinese forces exposed themselves to superior strength.

To some extent this opinion was born out by the military situation which prevailed last week, when most informed observers expected that further Japanese withdrawals would be made in the near future. There was a widespread belief that the Japanese troops withdrawn from various positions might be employed by Japan in a southwards expansion movement, although foreign opinion believed that the many reverses suffered by the Axis powers in Europe recently would deter Japan from new adventures, unless she was willing to stake her all on the biggest gamble of her history.

According to estimates by a high Chinese military authority in Chungking, Japan was ready to use ten divisions in her southwards expansion movement, and it was stated that they had been withdrawing troops from China for reorganization and training under German military experts, particularly in **blitzkrieg** tactics. With the co-operation of their forces stationed in Hainan Island and Formosa, Japan's first move was expected in January, with the occupation of Cam Ranh Bay (Indo-China), which, it was believed in Chungking, would be used as the main base for operations in the South Seas, with Singapore as the principle objective of operations.

Severe fighting was reported to be going on in the central Yangtse valley, in the vicinity of Pengtseh, below Kiukiang, in northern Kiangsi where the



This Map (specially drawn for the China Defense League Newsletter) is based on the latest information reaching Hongkong, and is designed to illustrate (a) Japanese preparations for a southward drive; (b) present positions of the 8th Route and New 4th Armies, and scenes of recent clashes with Chinese troops that have been sent against them; (c) China's remaining communications with the outside world.

Chinese mobile units repeatedly have menaced Japanese shipping plying between Shanghai and Hankow. After the arrival of seven warships with reinforcements from Kiukiang, dispatches state, Japanese forces at Pengtseh, under cover of aircraft, artillery and naval bombardments, launched attacks in four columns against Chinese forces eastward and southward of Pengtseh, near the Anhwei-Kiangsi border. The Chinese troops were learned to have put up gallant resistance. Later reports from Tunki, in southern Anhwei, stated that the region south of Tai-po Lack, in north-east of Pengtseh, had been cleared of Japanese remnants.

Japanese troops were still lingering in the vicinity of east Chekiang despite their recent reverses in the autumn campaign when, on Nov. 7, a Japanese war vessel was reported to have opened a bombardment along the coast off Chuanshan. About 40 shells were fired and steam launches carrying soldiers were sent out to effect a landing. Chinghai, river gateway to Ningpo, the most important industrial district in east Chekiang, repulsed the attempt.

North China Drive

The war situation in North China has been featured by the repeated Japanese "mopping up" campaigns in attempts to remove the "red menace" from North China, but the Japanese have had to admit the presence of larger and stronger communist-led forces than were in existence at the outbreak of hostilities more than three years ago. Japanese "mopping up" campaigns have been successful only in the temporary dispersal of large guerrilla forces. The guerillas, however, have returned regularly to fight. At the present time, there is not a province in North China in which guerrilla activity is absent.

An important order meted out by Chungking concerning the military direction in North China last week was the execution of Gen. Shi Yui-shan, Governor of Chahar Province, together with his brother, both having been found guilty of disobedience. Gen. Shi, one of the lieutenants of General Feng Yu-hsiang, has been associated with general rebellions against Gen. Chiang Kai-shek, Marshal Chang Hsiu-liang, and even against Gen. Feng himself. After the Lukuchiao Incident in July, 1937, Gen. Shi returned to active service. He was instructed to carry out guerrilla warfare against the Japanese in Chahar, but so ignored his instructions that Gen. Chiang Kai-shek sentenced him to death.

Japanese aerial activities over Free China decreased sharply, with the Japanese troop withdrawals, although some raids were concentrated on towns and cities which were either occupied by

them formerly or have been recently selected as new targets.

Guerilla Warfare

Reviewing recent developments along the guerilla front, the China Defence League journal, published in Hongkong, recalls that the eleventh hour unity won in Sian the year before the outbreak of hostilities between China and Japan was formally expressed in the subsequent reconciliation between the Chinese Communists and Kuomintang, the incorporation of the old "red" armies into the national forces as the 8th Route and new 4th Armies, and "full military cooperation on the anti-Japanese front in the war that followed.

In 1938, when Japanese pressure was strong on all fronts, the United Front worked reasonably well, the China National Defence League Newsletter continued. During 1939, when there were merely local Japanese offensives, it began to show signs of strain.

Reports of friction between the 8th Route Army and provincial troops operating in the same war zone were largely discounted by China's well-wishers. These clashes were on a small scale, and might be regarded as inevitable where such diverse political elements were involved.

Certain minority groups were clearly interested in promoting such friction; but they were rejected by the mass of the Chinese people, who took the commonsense view that China had enough on her hands already without any recrudescence of civil strife.

During the third year of war, the Japanese "peace offensive" was launched in earnest. Inside China, it was largely directed towards the widening of any political rifts which might cause the United Front to crumble from within. Wang Ching-wei and his satellites applied their ingenuity to the task of singling out the New 4th and 8th Route Armies for attack, repeating the old Japanese slogans that this war was to "make China safe from Communism." Not until July was the tension somewhat eased with a new agreement (negotiated by Chou En-lai in Chungking) by which the National Government recognised the 8th Route Army as consisting of three Army Corps in place of a former 3 Divisions.

Japanese "peace offers" up to this point had been obtuse and arrogant, and had received no encouragement whatever from the National Government. But in September, German and Italian diplomacy suddenly became much more active in Chungking.

The Axis Takes A Hand

Germany, through Ribbentrop, had long before promised "good offices" in effecting a settlement between Japan and China. When Japan openly aligned herself with Hitler and Mussolini in the Tripartite Alliance, Axis efforts in this direction were renewed. The former German ambassador in China, Dr. Trautmann, conferred with Hitler in Berlin, and is now reported as returning to China. The Nazis, dominant partners in the Alliance, are chiefly concerned to free Japanese arms from China for a drive south on Singapore.

It was certainly an inspiration from Berlin stated the China National Defence League Newsletter, which prompted the limited Japanese military withdrawals in Kwangsi and Kwangtung. At the same time, "peace terms" very much more moderate in tone than anything previously heard were allowed to circulate very freely.

Basis of the new "terms"—a somewhat more realistic version of the "Treaty" recently signed between Tokyo and Wang Ching-wei—was to be "cooperation

(Continued on page 66)

THEIR UNIVERSAL APPEAL MAKES

ARISTOCRAT

CHOCOLATES & CANDIES

The Ideal CHRISTMAS Gift

Bakerite Chocolate Shops

VULCAIN

A SWISS WATCH OF WORLD FAME

for Accuracy, Style and Quality

On sale at all dealers and department stores.

萬爾根時錶 準確緻貴 雅名動人 各大公司及鐘表行均有出售

A-C-D

TONIC

中英大補藥

A pleasant Nutriment

For low spirit tiredness, lack of appetite, indigestion, neurasthenia, dull senses, paleness, anaemia, consumption, scrofula, malnutrition after illness, debility of brain power and general weakness.

THE ANGLO-CHINESE DISPENSARY

MANUFACTURING CHEMISTS

SHANGHAI

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

November 24

Prince Kimmochi Saionji, 91-year-old last of the Genro, died at 9.54 p.m. after having been seriously ill for several weeks.

Uncensored reports of internal conditions in Japan by Mr. Wilfred Fleisher, former editor of the **Japan Advertiser**, published throughout the United States, declared that Japan faced serious internal dissension regarding home and foreign policies, and it would not be surprising if this resulted in new assasinations or revolutionary outbreaks, such as have occurred at intervals in recent years.

According to authoritative Nanking quarters in Shanghai, the formal treaty of co-operation, amity and mutual recognition between Japan and the Nanking Government would be signed on November 30 by Gen. Abe, Japanese envoy to Nanking, and Mr. Wang Ching-wei.

Washington yesterday protested to the Japanese arrest of two Americans in Hanoi.

The Burma road was reported to have been a fairly peaceful stretch of highway during most of November, according to authoritative sources in Lashio.

Shanghai Japanese Naval spokesman denied the reported sinking of Japanese warships in Yangtze River by Chinese-laid mines.

Domei reports claimed that the Japanese forces had taken Mengcheng, alleged strategically important base of the New Fourth Army in north-western Anhwei.

Chungking - Nanking peace talk "rumors" were again discussed by Tokyo's **Hochi.**

Domei reports claimed that the Japanese forces had launched a general offensive in Central and North Hupeh, with Suisien, Chunsiang and Kingmen as their bases.

⁂

November 25

According to a well-informed European authority, the Japanese, using peace rumors and a possible landing at Saigon as a smokescreen, were actually busy massing troops and supplies in Hankow for a major offensive aimed at Chungking. Fleets of heavy bombers in Hanoi and parts of Hangchow and Nanking garrisons were said to have been transfered to Hankow.

The Japanese Foreign Office officially announced that Admiral Kichisaburo Nomura, former Foreign Minister, had been appointed Ambassador to Washington.

The Japanese Army authorities would protest to the United States Consulate in Hanoi against the alleged photographing of a Japanese supply base by two Americans, it was decared in a Tokyo announcement that Mr. Jacoby **(United Press)** has already been expelled by the French Indo-China Government.

Japanese were reported to have made new demands on Indo-China, the principle demands being.

1. Japan to purchase the total rubber output of Indo-China as from December.
2. Japan to have exclusive rights for the development of Indo-China's natural resources.
3. Japan to control customs administration in the French colony.

Japan's low price policy, while keeping the price of rice down, did not succeed in preventing large increases in the prices of all other agricultural products and household commodities, according to the Tokyo **Asahi.**

⁂

November 26

Japan's explanation of the arrest of the two Americans in Hanoi was rejected by the United States Consul, Mr. Charles S. Reed III. It was learned that another protest with the Japanese would be lodged.

Domei reported from Tokyo that Admiral Nomura, Japanese nominated Ambassador to the U.S., declared he would endeavor to do his utmost to clarify the current situation. At the same time **United Press** reported from Tokyo that Admiral Ryozo Nakamura, retired, urged Japan to declare war immediately against the U.S.

Gen. Nobuyuki Abe, special Japanese envoy to Nanking, left Tokyo by plane for Nanking.

Stressing the immense territory and manpower of China, Dr. T. Z. Koo, leader of the Chinese Mission of Fellowship to India, declared that within the next year Japan would withdraw from China.

Indo-China authorities decided to deport Melville Jacoby, United Press staff correspondent, **Domei** reported.

November 27

Mr. Cordell Hull, the Secretary of State, implied that more vital changes in Japan's policies toward the United States than a mere change of Ambassadors were necessary for improved relations between these countries.

Futher financial and political aid by the United States to China was forecast by Mr. Chang Chung-fu, prominent Chinese authority on international relations, in a special article published by the **Sao Tang Pao.**

Dr. Hu Shih, Chinese Ambassador to the United States and Mr. T. V. Soong, former Minister of Finance for China, conferred with Mr. Cordell Hull, the Secretary of State for 30 minutes.

Important trade conversations, aiming at the development of economic relations between Indo-China and Japan, were to be held in Tokyo in the near future, Hanoi reports stated.

⁂

November 28

The Vichy Government officially announced late yesterday that hostilities began November 23 between French Indo-China and Thailand. Fighting broke out along the Cambodian frontier when French forces three times repulsed Thai efforts to cross a border river. Thailand was reported to have been claiming Laos ever since the collapse of France.

Wang Ching-wei was made President by the act of the Nanking Central Political Council, with the signing of the Sino-Japanese treaty expected on November 30.

"As long as China is in trouble we hope to help her when and as we can," Mr. Jones, Chairman of the U.S. Reconstruction Finance Corporation, indicating

FAMOUS "I.D." PRODUCTS

KOO PUN

Laundry, Toilet and Medical Soaps

"GLOBE" Brand

Glycerine, double distilled,

S.G. 1,260 B.P.

"Calocalc" Nutritious Tonic
"Chilai" Blood-Tonic
"Oling" Disinfecting Fluid
Olinsol (an ideal disinfectant)
"131" Tooth Paste
"ID" Emulsion of Cod Liver Oil
"ID" Cod Liver Oil with Malt Extract

INTERNATIONAL DISPENSARY, LTD.

AND BRANCHES

that the United States was considering more aid for China.

Japan had established an air base in Saigon, said a London report.

N.E.I. officials denied Japanese allegations that there was growing anti-Japanese feeling in the islands.

*
**

November 29

China was among the list who bought vast war supplies from U.S. in October, Washington reports revealed.

Indications that another American loan to China was pending were seen in Washington when it was learned that Mr. T. V. Soong, former Chinese Finance Minister, would confer with the head of the Export-Import Bank, Mr. Warren L. Pierson, and the Federal Loan Administrator, Mr. Jesse Jones.

The Japanese Diet celebrated the fiftieth anniversary of the first session with simple ceremonies in the Diet building.

Chinese constables attached to Central Station of the S.M.P. in Shanghai last night refused to go on duty owing to dissatisfaction over wages. The whole case, however, was temporarily settled after Mr. V. Sharman, Assistant Commissioner, had spoken to the men.

A train bound for Nanking, carrying a crowd to celebrate the signing of the treaty between Wang and Japan, was blown up near Soochow. At least 150 persons were killed or injured.

*
**

November 30

The Nanking Government signed in Nanking a formal treaty, a protocol to the treaty, an agreement between the plenipotentiaries, and a joint declaration with Japan. By them Japan was "granted" virtual control over the lower Yangtze Valley, North China and Inner Mongolia. The Nanking Government agreed to pay indemnities for all war losses suffered by Japanese nationals or Japanese interests in China and promised to consult Japan in the regulation of foreign trade in Japanese-occupied areas of China. Many other questions were to be "settled" later in separate agreements, to be negotiated "in keeping with the spirit of the treaty."

Mr. Yakechiro Suma, Japanese Foreign Office spokesman, in answering questions of foreign correspondents, said that the Wang-Abe Pact was not exactly a peace treaty since the military situation was not affected. He emphasized that peace would be established whenever Generalissimo Chiang Kai-shek would cease resistance against the Japanese. Authoritative circles in London, commenting on the Japanese recognition of the Nanking regime, stated that the British Government would continue to recognize the Government of Generalissimo Chiang Kai-shek as the National Government of China.

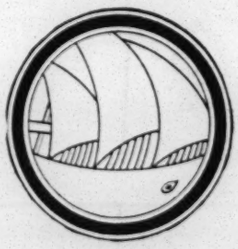
Renewed British economic aid to China was discussed yesterday by Mr. Quo Tai-chi, Chinese Ambassador to Great Britain, and Viscount Halifax, the Foreign Secretary.

Mr. Kenkichi Yoshizawa, former Foreign Minister and ex-Ambassador to China, was named chief delegate of the Japanese mission to the N.E.I. parleys.

Pejping was said tense as a result of the murder by a Chinese yesterday of a Japanese Army lieutenant-colonel.

Eleven hundred Chinese constables of Central and Louza Stations walked out in the first strike in the history of the Shanghai Municipal Police early today. Intervention by Mr. Yu Yah-ching, prominent Chinese member of the S.M.C., and Deputy Police Commissioner T. M. Yao, brought the deadlock to a termination at about noon on the promise that the constables' demands for increased pay would be considered.

THE ONLY CARBON PAPER MADE IN CHINA

TRADE  MARK

MIDLAND carbon paper may be ordered to suit every purpose, for handwriting or typewriting, in any size and color.

The regular size of MIDLAND carbon paper is 8½ inches by 13 inches in five different colors including violet, blue, black, green and red.

Obtainable at all bookstores and stationery shops.
For special orders communicate with

CHINA MIDLAND FACTORY
ESTABLISHED IN 1935
MANUFACTURERS OF CARBON PAPER, STENCIL PAPER, PASTE, MUCILAGE, PENHOLDERS AND INK.
48 Rue Admiral Bayle, Shanghai, China
Phone 86734
Cable "5796"

Who's Who in China

Kalfred Dip Lum, political science authority, university professor, and government official, born in Honolulu, Dec. 25, 1899; family native of Chung-shen District, Kwangtung Province; graduate of Kalihiwaena School, Jackson Chinese Institute, Iolani College, Honolulu; B. A., University of Hawaii, 1922; M. A. in political science, Columbia University,

林 叠
Kalfred Dip Lum

1923; New York University Law School, 1923-25; Ph.D. in government and public law, New York University, 1926; founder and first principal of Min Hon Chinese School, Honolulu, 1917-22; commissioner of Chinese language schools, Department of Public Instruction, Honolulu, 1922; counsellor and solicitor, Corn Exchange Bank, Chatham Square, New York City, N. Y., 1925-26; instructor and professor of political science, University of Hawaii, 1926-32; on international good-will lecture tour to Japan, China and the Philippine Islands, 1928; executive secretary of Kuomintang Headquarters in Hawaii, 1929-32; President of United Chinese News, Ltd., Honolulu, 1929-32; Hawaii's Overseas Chinese Delegate to National People's Conference, Nanking, 1931; Hawaii's Kuomintang Delegate to Fourth Kuomintang Congress, Nanking, 1931; visiting professor of political science, Hangchow Christian College, Hangchow, 1931-33; member of Commission of Overseas Affairs, National Government, Republic of China, 1931-40; special inspector of Kuomintang and Overseas Chinese affairs in Hawaii, United States, Canada, Mexico, Cuba, Central and south American countries, 1933; visiting professor of government and international relations, New York University, 1933-34; special envoy to inspect Kuomintang and Overseas Chinese affairs in the Dutch East Indies, British Straits Settlements and Siam, 1935; Hawaii's Delegate to Fifth Kuomintang Congress, Nanking, and member of the Presidium of Congress, 1935; member of the Overseas Party Affairs Committee of the Kuomintang, 1935-38; professor and head of the Department of Public Administration, National Chiaotung University, Shanghai, since 1934; member of the Central Executive Committee of Kuomintang since 1935, technical expert of foreign affairs of the Central Political Council, National Government, since 1935; special envoy of Kuomintang and Overseas Chinese Affairs to the United States of America and on lecture tour to various parts of the United States since 1938; member of the standing committee of the Commission of Overseas Affairs, National Government, since 1940; Addresses: Permanent home address, 1020 Pulaa Lane, Honolulu, T. H.: temporary present address, 827 Sacramento St., San Francisco, California, U.S.A.

Men and Events

Kwan Yoshida, sectional chief of the American Affairs Bureau in the Tokyo Foreign Office, died of pneumonia on Dec. 2 at the age of 38 years.

*

Tomokazu Hori, former Japanese Consul-General at Nanking, has been appointed First Secretary of the Japanese Embassy, stationed at Shanghai.

*

The American University Club has announced a smoker and entertainment for members and guests at the American Club on the evening of Thursday, Dec. 19.

*

Chiyomatsu Nagao, Secretary of the Japan-China Girls' Friendly Society, has returned to Japan following an inspection tour of China, according to the **Shanghai Mainichi.**

*

According to the **Ta Kung Pao** a Chinese truck driver at Chungking was convicted of stealing fourteen automobile tires from a service station and was executed on Nov. 24.

*

Tatsuki Sakamoto, previously Japanese educational commissioner in North China has been appointed Minister to Peru and Bolivia and Shinro Mijazaki has been appointed Minister to Iraq.

*

A. N. Lionel, recently appointed U. S. Consul at Yokohama, arrived in Japan on Dec. 9 aboard the President Jackson. Mr. Lionel succeeds Richard Fyfe Boyce, who is returning to Washington.

*

Tu Yuen-shang, member of the Standing Committee of the war-time Relief Commission and Hsu Chung-chih, vice-president of the Control Yuan, have arrived in Chungking. Mr. Tu Yueh-sheng is a well known resident of Shanghai.

*

Miss Sai Sho Ki, Korean dancer, returned to Japan last week, following a two-year tour of Europe, South America and the United States. She was accompanied by her husband, whose name or nationality were not mentioned in the Japanese report.

*

Japan's present year emergency budget for armament will amount to Yen 4,500,000,000, according to **Transocean** dispatch from Tokyo last week. Finance Minister Kawada announced that the great increase had become necessary because of the "international situation."

*

The Japanese military authorities stated on Dec. 11 that they "were still investigating" the wounding of a Chinese farmer by a Japanese sentry. The farmer was taken to the Sho-Ming Hospital with a severe wound in his back caused by a Japanese bayonet. He stated the Japanese sentry had thrust the bayonet into his back as he was crossing the Ichang Road bridge.

*

Karl von Wiegand, veteran correspondent for Hearst's **International News Service,** arrived in Japan aboard the N. Y. K. steamer Tatsuta Maru on Dec. 5. In an interview with **Domei,** the official Japanese news service, Mr. von Wiegand said that he had been sent to the Orient by William Randolph Hearst "to determine whether a Pacific war is inevitable." Mr. von Wiegand did not state in the interview whether he planned to proceed to Chungking in order to obtain the Chinese point of view on Mr. Hearst's inquiry.

Max Hill, correspondent for **Associated Press,** arrived in Tokyo on Dec. 5 to relieve Relman Morin as chief of the **Associated Press** bureau in the Japanese capital. Mr. Morin has been in Japan for several years. Mrs. Morin returned to the United States several months ago.

*

J. L. Paul-Boncour, Counsellor to the French Embassy in China, who has been in Shanghai for some time, departed this week for Peiping. Mr. Boncour was entertained last week at a cocktail party given by members of the staff of **Havas,** French news agency.

*

Dr. Chang Po-ling, founder and President of Nankai University and Vice-President of the National People's Political Assembly, is seriously ill at Chungking. He has been given blood-transfusions, but has shown little improvement. He was visited by Gen. Chiang Kai-shek this week.

*

Wilbert J. Austin of Cleveland, Ohio, President of the Austin Engineering Company, who was killed, along with several others in an airplane accident in Chicago on Dec. 5, was a visitor in China several years ago when he designed the Chinese Government airdrome and airplane factory buildings at Hangchow.

*

Col. Charles Price, who was promoted to the rank of Major-General in the Marine Corps, by President Franklin D. Roosevelt on Dec. 3, was commander of the Fourth Marines at Shanghai in the early days of the present Sino-Japanese hostilities. Commander Harvey E. Overesch, former U. S. Naval Attache in Peiping, was promoted to the rank of Captain and Capt. Harold M. Bemis, former American Naval Attache in Tokyo, was promoted to the rank of Rear-Admiral.

The annual Soiree of the members of the Royal Asiatic Society was scheduled for Thursday afternoon, Dec. 12 at the Society's building, 20 Museum Road. The British Consul-General, Mr. A. H. George, was scheduled for an address, following which colored moving pictures of the New York World's Fair were to be shown.

*

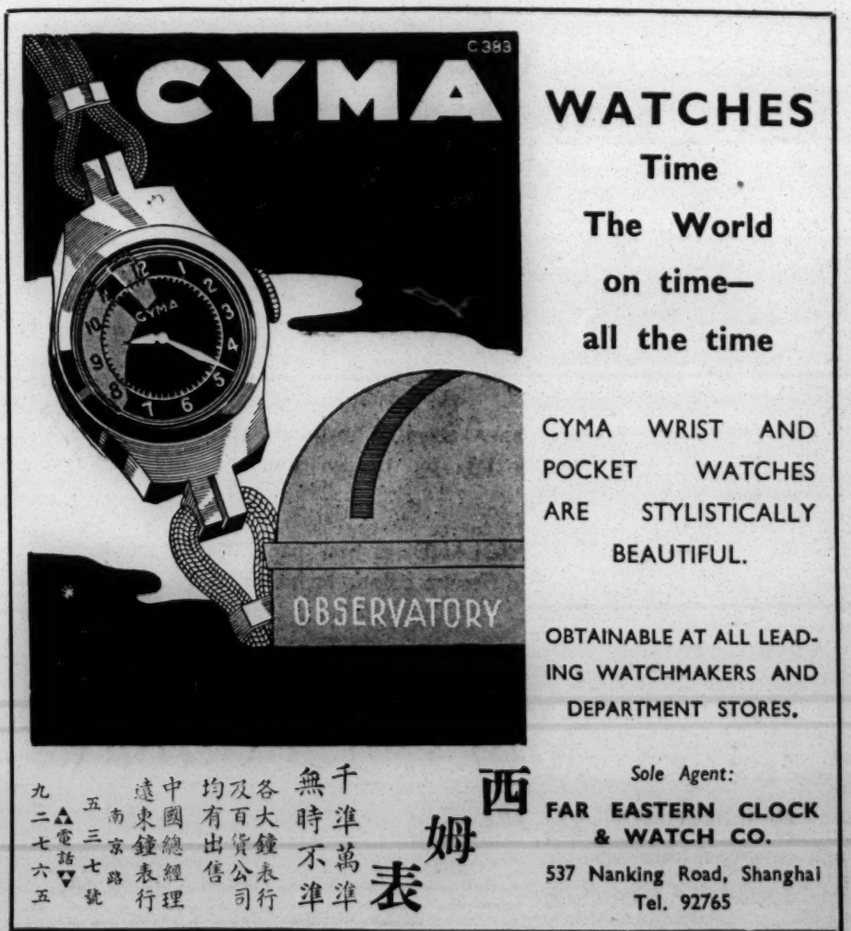
A radio broadcasting station, owned by the Italians in Peiping, has been sold to the Japanese-controlled and operated North China Broadcasting Association, according to **Domei** report on Dec. 7. The report claimed that an American-owned station was sold to the Japanese concern in 1938 and a British station was sold to the Japanese monopoly last year.

*

Col. Wolfgang von Gronau, Nazi Air Attache, and Lieut.-Colonel Wilhelm Nehmiz, Assistant Air Attache, in Japan gave exhibitions of parachute rides from a tower recently opened in a Tokyo amusement park. Col. von Gronau made six jumps, while his assistant, Col. Nehmiz, made four, according to **Domei,** which supplied the additional information that the Assistant Air-Attache was accompanied by his pretty secretary.

*

Mrs. W. C. Kent, widow of the pilot of a C. N. A. C. mail and passenger plane, who was shot down and killed by Japanese military aviators late in October, departed for the United States by Clipper Plane from Manila on Dec. 3. She carried with her the ashes of her late husband, which will be buried at his home town Kentwood, Louisiana. Mr. Kent was one of the most popular pilots on the Hongkong-Chungking and Chungking-Kunming routes. His plane was unarmed and carried a number of Chinese passengers, eight of whom were killed, when they were machine-gunned by the Japanese at Changyi.



Edwin Haward, former Editor of **The North-China Daily News,** who is now connected with the British Ministry of Information, departed from Shanghai this week. Mr. Haward arrived in Shanghai about a month ago and after some time here went to Japan for ten days, returning to Shanghai last week. His headquarters are at Singapore.

*

The Rev. and Mrs. Wilmot D. Boone of Shanghai have announced the engagement of their daughter Lucy to the Rev. John Walker Vinson, Jr. Miss Boone returned to Shanghai last summer, following her graduation from Hanover College and is now teaching at Hangchow University and St. Mary's Hall. Mr. Vinson, who is a member of the American Presbyterian Mission, is also a faculty member of Hangchow University.

*

Two members of the U. S. Marine Corps stationed in Tientsin met violent deaths on the night of Dec. 6. Corporal Richard A. Amadon, 25 years old, shot and killed himself, following a morose condition. The other case was Pharmacist Mate, Russel Lee, 27, who died as a result of an injury caused by falling from a ladder. Lee is survived by a brother Donald T. Lee of St. Louis, Mo. Amadon is survived by a sister, Miss Ruth Amadon, residing at Russell, Pennsylvania.

*

The U. S. Army troop transport, Etolin, formerly the Matson Line flagship, the Matsonia, arrived in Manila on Dec. 5 carrying 175 officers and men from the Selfridge Field 17th Pursuit Squadron. The men were under the command of Maj. K. J. Gregg. The Etolin also carried a considerable number of pursuit planes. The arrival of the aviation contingent abroad the Etolin brings the U. S. Army's air strength to the highest point in the history of the Philippines.

*

John K. Davis, for many years connected with U. S. Foreign Service in the Far East, has been appointed Director of the Philippine Affairs Division of the the State Department and assumed office on Dec. 5. Mr. Davis was born of missionary parrents in Soochow and served as Consul in Nanking, Seoul, Korea and elsewhere. Joseph Jacobs, previous director of the Philippine Department, has been appointed Consul-General and Legation Counsellor at Cairo, Egypt. Mr. Jacobs also had extensive experience in the Far East, having served as Vice-Consul and Mixed Court Assessor at Shanghai, Consul at Yunnanfu and elsewhere. Mr. Jacobs also served as secretary of the International Commission which investigated extraterritoriality in China several years ago.

*

Anna Louise Strong, well known writer and lecturer on Russian and Far Eastern topics, has arrived in Chungking by airplane from Moscow, according to **United Press** from Chungking. Miss Strong was born at Seattle and has resided in Moscow and traveled extensively in Russia for many years. She is married to a Russian official. She was in China in 1927 at the time of the Nationalist Revolution and returned to Russia by the overland route through Turkestan, following the collapse of the left wing Hankow Government. She was a friend and associate of Michael Borodin, chief Soviet adviser in China in 1926-1927. She has written several books on Russia and China, among them being "China's Millions." Her latest book, "My Native Land," has just been published. After a few days in Chungking, Miss Strong plans to continue her trip to the United States.

The National Government, in response to a petition of the Executive Yuan, issued a circular order on Dec. 2, prohibiting the affixing of stamps upside down to envelopes or other mail matter. The order stated that stamps contain the portraits of national leaders and revolutionary martyrs, hence the affixing of their pictures to mail matter in upside down position amounts to an act of disrespect.

*

The Japanese authorities announced this week that a new train ferry will be constructed at the Kiangnan Dock at Shanghai, for service at Nanking. The ship will be 100 meters in length, 17 meters wide, 6.3 meters in depth, with a draft of 3.8 meters. The tonnage of the ship will be 2,600, equipped to carry 33 freight cars or 12 passenger cars. It is hoped to complete the ship by January, 1942. It will replace the train ferry operated for several years by the National Government, but which was bombed and destroyed when the Japanese occupied Nanking in 1937.

*

The Committee on Foreign Missions of the Presbyterian Church of the United States announced at Nashville, Tenn., on Dec. 11, that 100 missionaries, with their families, would be temporarily withdrawn from China, Japan and Korea. Those withdrawn consisted largely of elder missionaries, women and children, stated the report, which added that smaller groups would remain in charge at each mission. The statement said that the withdrawals were being made in response to "repeated urgings on the part of American consular authorities, acting on orders of the Department of State."

A report in the **Japan Chronicle** stated that Japanese lumpen, or tramps, have taken to a diet of roasted rats due to the shortage of rice in the Nagasawa-cho, Hyogo-Ku districts. The report stated that lumpen in many districts had been compelled to work in industrial plants because of the government's rice-rationing scheme.

*

The Central China Salt Company, subsidiary of the Japanese Central China Development Corporation, cleared a profit of $532,030.83 for the year ending Sept. 30, 1940, according to the annual statement issued last week. The report stated that the profit last year was only $47,669.92. The concern will pay an 8% dividend. The Central China Salt Company was created by the Japanese Army to operate the salt monopoly previously controlled by the Chinese Government.

*

Ben S. Lang, member of the Controllers department of the National City Bank, was married on Saturday evening, Dec. 7 to Miss Frances Arnold, daughter of Mr. and Mrs. Julean Arnold. The marriage took place at the home of Mr. A. Bland Calder, Acting U. S. Commercial Attache. Among those present were Miss Arnold's brother, M. D. Arnold and Mrs. Arnold of Tientsin. The ceremony was read by the Rev. Dr. F. L. Hawks-Pott. Mr. Lang is the son of Mr. and Mrs. J. M. Lang of Calhoun, Georgia, and is a graduate of the University of Georgia. He has been with the National City Bank for several years, serving with branches at Madrid, Barcelona and also in India. Mr. and Mrs. Lang departed from Shanghai on the President Cleveland and will make their home in New York City. Miss Arnold's parents are now residing in California, Mr. Arnold having served for many years as U. S. Commercial Attache in China.

Plan now to make it

Merry X'mas

Always right *Day and night*

Christmas Greetings "via Globe" ARE More Personal, More Certain to be Remembered. Telephone 15036 for Further Information.

GLOBE WIRELESS LTD.,
51 Canton Road
Shanghai.
Head Office: San Francisco, Calif., U.S.A.

WHEN YOU THINK OF PAINT THINK OF
CAMPBELL
PAINTS AND PAINT WORK
Everything the best
CAMPBELL PAINT CO.
1344 Avenue Foch
corner Hart Road
Phone : 34360

SWAN, CULBERTSON & FRITZ
Investment Bankers and Brokers in Securities and Commodities.
Daily New York and London Stock Exchange Service.
Sassoon House Telephone 11200

Lack of Japanese Initiative in China

(Continued from page 61)

between Japan and China to suppress the Anti-Japanese Movement": i.e., renewal of the Anti-Communist Campaign in China. Other details are supposed to include guarantees of the "administrative integrity" of the Chinese Government (with an interesting proviso that neither Chiang Kai-shek nor Wang Ching-wei should head the new "Government"!), "economic co-operation," and an agreement for "mutual defence" along the lines of Japan's commitment under the Tripartite Alliance—i.e., if either party is at war with a third power, both should combine against the latter.

So, behind the shadow of the old Anti-Comintern Pact, Nazi Germany plans to exploit the Far Eastern War in favour of the Axis.

Renewed Friction in China

All this might not mean so very much, perhaps, if recent military developments in China did not clearly show that the "anti-communist campaign" is being taken quite seriously in some quarters. The September offensive of the 8th Route Army in North China (described in No. 22 of this series) ended prematurely as a result of sabotage and interference from the Chinese rear. The 8th Route Army found that instead of being adequately supported, their own base positions in Shensi, Ninghsia and Kansu were being enclosed in an elaborate system of fortified lines, closing in upon the Border Region. In front were the Japanese, behind were the blockhouses.

On October 19, both the 8th Route and New 4th Armies were ordered to withdraw all their forces **north of the Yellow River** within one month's time. Chinese troop concentrations gathered round to enforce the order. On November 9, the Commanders of the 8th Route and New 4th Armies sent a telegram to Generals Ho Ying-chin and Pai Chung-hsi (Chief and Vice-Chief of Chinese General Staff respectively) asking for more time to complete any withdrawal, if they were to avoid encirclement by the Japanese. They pointed out that their organisation was based largely on cooperation with local partisans, who would be helpless without their leadership; that they had received very inadequate allowances from the Government for their troops, and that shortage of food would be a serious problem in the new areas to which they were assigned. No reconsideration was granted, and in several areas (**see map**) other Chinese forces were ordered by their commanders to attack them.

In the Lower Yangtze area, some thousands of provincial troops who had no stomach for renewed civil war at this stage came over to join the New 4th Army. One particularly revealing incident occurred when the recently-nominated Governor of Jehol, General Miao Chen-liu, formed a local truce with the Japanese in order to develop an attack on the New 4th "bandits." His own officers, reading such action as treachery, promptly arrested him and wired to Chungking asking if he should not be court-martialed. But the general escaped, and preparations for the anti-communist drive went ahead.

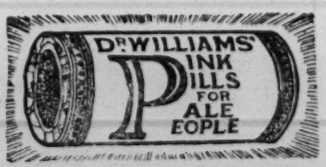
The Japanese meantime had not been idle. Chinese "puppet troops" from the south were moved north into Hupeh to launch a local offensive; many more "puppet soldiers" from the north and central districts were moved south and concentrated around Canton. But the best fighting Japanese divisions were gathered in the north for an "extermination campaign" against the 8th Route Army. A November drive into West Hopei resulted in the capture of Fuping, and another drive in the direction of Poyang, in southern Hopei, was intended to clean out the partisan bases and units in this area. Throughout all this fighting, the Japanese troops were employed almost solely against 8th Route and New 4th Army units, as their own military despatches show.

All these developments are clearly detrimental to Chinese resistance as a whole, and can favour no one but (a) the Japanese, and (b)—Hitler. For obviously, if a relaxation of Japanese pressure on the main Chinese fronts can induce a renewal of political friction in China, then the Japanese can localise their serious military effort against the 8th Routh and New 4th Armies, **with the cooperation of the same elements in China who once tried to exploit the Sian crisis to their own private advantage.** And if civil strife in China is renewed, clearly Japan will be able to concentrate still more forces to the south in preparation for the big drive that only await a "favorable" turn on the Axis front, and Hitler's signal.

Anaemia
Nerve Weakness
Insomnia
Neuritis
Rheumatism
Sciatica
Premature Ageing
Loss Of Appetite
Malaria
Women's Ailments

The importance to health of maintaining the vitality of the blood at normal was realised many years ago by a British physician who devised a preparation which has the specific effect of improving the quality and quantity of the blood, thereby restoring vitality, steadying nerves, imparting strength and toning up the whole system. This preparation, now known the world over as Dr. Williams' Pink Pills, has helped run-down people back to health for over half a century. Recent clinical tests have proved conclusively that Dr. Williams' Pink Pills improve the health by enriching the blood.

Equally good for men and women, Dr. Williams' Pink Pills may be given to growing boys and girls with most beneficial results. Your chemist can supply this ideal tonic for the blood and nerves.



A.B.C. PRESS, SHANGHAI
Printing
in all its Branches
Your work
should bear
our imprint

TYPEWRITERS, AUTOMOBILES Bought, Sold, Rented, Repaired & Rebuilt, HERMES BABY Dealers, Bartlett Yung Co., 132 Kiangse Road, Tel. 11875, Garage End of lane 749 Yu Yuen Road, Tel. 20349.

New Books of Interest in the Far East

Primer For Isolationists

ISOLATED AMERICA—By Raymond Leslie Buell; Alfred A. Knopf, New York City; 473 pages of text and an index; US$3.00

Mr. Buell best may be identified as president of the Foreign Policy Association in the United States, which regularly and frequently issues documented studies of all phases of international relations. Many of them are the best researches of our times on their subjects, but many also have been considerably marred by the political leanings of the researchers. This has been particularly true in the case of T. A. Bisson who, among others —including Jay Allen, Max Lerner, Clifford Odets, Frederick L. Schuman, George Seldes, "Thin Man" Dashiell Hammett, and Vincent Sheean—signed that classic document of late August 1939 which proclaimed that it was a "fantastic falsehood" to say "the U.S.S.R. and the totalitarian states are basically alike," and that the U.S.S.R. was "a bulwark against war and aggression" which "has shown a steadily expanding democracy in every sphere." In the very same week this manifesto was issued, the Hitler-Stalin pact was signed and a few months later the democratic and peace-loving U.S.S.R. joined Germany in carving up Poland and also attacked Finland.

One of the most serious handicaps to an accurate historical appraisal of recent years is the plausible, but never more than half true, made-in-Moscow "documentation" that students who should know better have gullibly accepted—such as, for one example, the "Cliveden Set" invented by the clever British Stalinist Claude Coburn (alias Frank Pitcairn),—and the Foreign Policy Association has had too much of a share in this.

Mr. Buell, himself a conservative, can not be accused of any direct personal responsibility, for he was not in charge of the research in question, but he rather runs to another extreme of accepting the scare of allegations of Hitler's dreams of world dominion; and his book caters too much to people who through ignorance and/or indifference formerly never took foreign affairs seriously enough—and now are taking them too seriously. Further, probably no one has ever really earnestly considered world conquest save in the period between going to bed and going to sleep—excepting Alexander, who sighed for more worlds to conquer because he did not realize how little of the actual world he either knew about or had conquered.

On the other hand, Mr. Buell does his best to make up for some of the "documentation" of his Association by this sound, clear-cut summary that goes far to explain a large part of the current catastrophe of civilization: "If conservatives destroyed the liberal heritage in embracing fascism, liberals were hardly less gullible. Too timid to embrace openly the Communist religion, many accepted Moscow's invitation in 1935 to join forces in a popular front against fascism. Popular-front governments came to power in France and Spain, and popular-front organizations were formed even in America. From the standpoint of principle, the popular-front movement was bound to fail, for communism and democracy are as far removed from each other as are fascism and democracy—despite the new Soviet Constitution of 1936. From the standpoint of tactics, the popular-front idea simply drove many conservatives into the fascist camp who might otherwise have been rallied to a genuinely democratic movement." All this, as he adds, showed that "the fundamental weakness of democracy is that it has lost confidence in itself."

Mr. Buell gives in the main an excellent summary of international developments with particular reference to the United States since the First World War. The Far East comes in for its full share of attention, and here is Mr. Buell's well measured summary of late 1931 and early 1932 events involving our front out here: "How far the United States would have gone (against Japan) was uncertain, but it did go, in fact, further than Britain. The hesitation of both governments contributed to the success of Japan in the first great attack against the **status quo** established at Versailles and Washington."

Also, as Mr. Buell subsequently points out, "if economic considerations alone dicated foreign policy, the United States should be pro-Japanese"—since America's trade with Japan has been from two to four times larger than with China, with Japan long second only to Germany as the best buyer of American cotton. However, the isolations have "lost their fight in the Orient even more decisively than in Europe," and after the European war began: "The United States was the only Western power now in a position to restrain Japanese advances. It had served notice that it did not intend to retreat."

An extremely interesting section of Mr. Buell's book is a sketch of American

Ideal Gift Books

A COLLECTION OF FAMOUS PICTURES OF THE SUNG DYNASTY

(A.D. 960-1278)

Formerly Preserved by the T'ien Lai Studio

Reproduced in 4-color process. Printed on art paper. Mounted on buff-toned parchment. Bound in rich brocade. Size, 15¾" × 21¼".

Price, $120.00; postage extra.

This collection formerly in possession of Wang Fang-chang, of Taitsang, is now owned by Li Bah-koh, of Minhow, to whom credit is due for permission to reproduce the pictures in 4-color process. There are fifteen paintings in this album, each being prefaced with a narrative account of the subject in both Chinese and English.

ILLUSTRATED CATALOGUE OF CHINESE GOVERNMENT EXHIBITS FOR THE INTERNATIONAL EXHIBITION OF CHINESE ART IN LONDON

In 4 volumes. Size, 7½" × 10½". With Anglo-Chinese explanations.

Volume I. Bronze, $7.50; Volume II. Porcelain, $9.00; Volume III. Painting and Calligraphy, $9.00; Volume IV. Miscellaneous, $9.00

Postage extra.

SURVEY OF CHINESE ART

By Dr. John C. Ferguson

Complete in the volume. Size, 7½" × 10½".

With 237 collotype illustrations.

Price, $75.00; postage extra.

Contents:—I. Bronzes, II. Stone Monuments, III. Calligraphy, IV. Painting, V. Jades, VI, Ceramics, VII. Architecture, VIII. Furniture, IX. Textiles, X. Miscellaneous Arts.

MALER-UND SAMMLER-STEMPEL AUS DER MING-UND CH'ING-ZEIT

By Victoria Contag and Wang Chi-ch'uan.

Complete in one volume. Size, 7½" × 10½".

Cloth cover. Seals printed in scarlet color.

Special Price, $36.00; postage extra.

(Offer ending January 7, 1941.)

The COMMERCIAL PRESS, Ltd.

Publishers

Sales Office, 211 Honan Road, Shanghai

In the United States Court for China

Richard Duncan	Cause No. 4555
Plaintiff,	Civil No. 2434
vs.	ORDER
	Filed at Shanghai, China,
Madge Duncan	Nov. 23, 1940
Defendant.	WILLIAM T. COLLINS *Clerk.*

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by his attorneys, has this 22nd day of November, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 23rd day of November, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 22nd day of November, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has she resided for two years, and that defendant's last known address was 193 Green Street, Annapolis, Maryland.

NOW, THEREFORE, it is this 23rd day of November, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 14th day of December, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 23rd day of November, 1940.

MILTON J. HELMICK,
Judge.

BACK ISSUE WANTED

The Review will pay one dollar ($1.00) for each copy of the issue of MARCH 3, 1928 (Vol. 44, No. 1).

Mail the copy or copies with statement to,

THE CHINA WEEKLY REVIEW

160 Avenue Edward VII
Shanghai

development on the thesis that "what distinguishes this country from Britain and France is that America was a democracy before it was a nation." This seems to the reviewer slightly exaggerated, for America was hardly a democracy in 1776 as we today employ the word, but the American Revolution was certainly more in the direction of democracy than of nationalism. And a nationalistic union was wrought only much later, nor could it be said to have been completed until after the Civil War.

Mr. Buell is, of course, wholly right in the thesis that predominates his book, that isolation is no longer possible for the United States—in a simple illustration, one can now get around the world in no more time than it used to take to go from Boston to New York;—and at the same time America's real national interests are growingly endangered. But: "If we want to, America can replace Britain as the world's dominant power." In conclusion, Mr. Buell advocates "A New World Association" that, alas, sounds as fatuous as the late League of Nations,—unless everyone possessed as much intelligence and good will as Mr. Buell. As Montaigne remarked over three centuries ago—with the truth thereof ever increasing,—"every man beareth the whole stamp of human condition." But there does not seem to be anything sure that one can do about it.

W.B.

Japanese Sentence Two Chinese Youths To Death

Accused of having slain a Japanese couple on November 5 in their home in Dixwell Road, Shanghai, two Chinese youths have been sentenced to death by the Japanese authorities, it was revealed last week in the **Sin Shun Pao.**

Lin Chuan-yung and Song Pao-ching, according to the vernacular newspaper, were arrested on December 6 or 7 in a Jukong Road (Hongkew) hotel, and "confessed" to the crime after being "questioned" by the Japanese.

The murdered couple were stated to be the proprietor of the Japanese-owned "Yangtze Industrial Company" and his wife. It was alleged by the paper that the motive for the murder was robbery.

BABY'S CRY IS NOT ALWAYS TEMPER

Distinguish between your baby's cry of pain and cry of temper.

When it is the pain cry it is probably the result of upset stomach, 'wind', colic, indigestion. To correct this and restore the child's comfort and well-being all that is usually necessary is a dose of Baby's Own Tablets.

"Night after night, as soon as we would get settled in bed, baby would start crying. Baby's Own Tablets changed all this. What a blessed relief," writes Mrs. A. Baker Jnr. of Winona, Ont. Canada.

Baby's Own Tablets contain no opiates or other harmful drugs; they are absolutely pure and safe for the youngest infant as for older children. They correct indigestion, 'wind', upset stomach, colic; check diarrhoea, expel worms, allay feverishness, break up colds. They are helpful, too, when teething is troublesome. Chemists everywhere sell Baby's Own Tablets.

In the United States Court for China

In re: Last Will and Testament of HUGH WATT WHITE Deceased	Cause No. 4548 Special Proceedings No. 2427 NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of HUGH WATT WHITE, deceased, to present the same with vouchers to the undersigned on or before July 1st, 1941, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

H. MAXCY SMITH,
Executor
c/o Associated Mission Treasurers
Shanghai

Shanghai, China.
December 4, 1940.

NEW MAP OF CHINA

41 by 28½ Inches.
With Place Names in English and Chinese.

Comprehensive — Authoritative — Useful as Guide to Areas Where Fighting is in Progress or Threatened.

Shows in Entirety the Chinese Republic and the Japanese Empire.

Ten Small Maps Attached:— Showing Islands at the Mouth of Pearl River and in the South China Sea including Hainan Island, the Paracel Islands, Pratas Island and other Groups; Rivers and Lakes in Wuhan Area and along the Kiangsu-Chekiang Border; Peiping-Tientsin Area; Canton and its Vicinity; Nanking and Chungking.

The Jih-Sin Geographical Institute, Publishers.

Price $3.00 in China.
Price U.S.$1.00 Abroad.

Send Postal Money Order or Check to
THE
CHINA WEEKLY REVIEW
160 Ave. Edward VII, Shanghai.

JAPAN'S WAR IN CHINA

When the Sino-Japanese hostilities broke at Peiping on July 7, 1937 and at Shanghai on August 13 of the same year, THE CHINA WEEKLY REVIEW immediately began compiling a day-to-day record of out-standing developments in the struggle including the diplomatic side as well as the military. These handy little volumes, each covering a period of six months, have now reached five.

They are 5" × 7½" in size and the number of pages runs from 116 to 180 for the different volumes.

Vol. 5 of the detailed day-to-day record of Sino-Japanese hostilities is now off the press. It covers the period from July 7, 1939 to December 31, 1939.

Outstanding developments in this period include the beginning of Japan's air raids on Chungking, Wang Ching-wei's activities at Nanking, Anglo-Japanese negotiations over the Tientsin incident, beginning of terrorism at Shanghai, abrogation of the America-Japanese Trade treaty, initiation of anti-foreign movements by Japanese Army authorities, "slapping" and "stripping" incidents at Tientsin, Ambassador Grew's denunciation of Japan's anti-American activities in China, beginning of U.S. "moral" embargo against Japan, etc., etc.

Preceding volumes of this series cover the following 6-month periods:

Vol. I—July 7, 1937 to Jan. 2, 1938
Vol. II—Jan. 2, 1938 to July 7, 1938
Vol. III—July 8, 1938 to Dec. 31, 1938
Vol. IV—Jan. 1, 1939 to July 6, 1939

Cost of the Day-to-Day Record:

In Shanghai, each volume $3.00
Hongkong or elsewhere in China ... 4.00
Abroad, each vol. US$1 or five vols. US$4.00

"MOST USEFUL BOOKS ON THE WAR"
Order from bookstores or use this form:

THE CHINA WEEKLY REVIEW
160 Avenue Edward VII
Shanghai

Please send the undersigned—Vols. 1, 2, 3, 4 or 5 (or all) of the Day-to-Day Record of the War. Enclosed please find Check or Postal Order.

Name .....
Address .....
Date .....

SUBSCRIPTION COUPON
(In China)
Send The China Weekly Review For

☐ One Year (52 issues) at $35
☐ Two Years (104 issues) at $68
☐ Half Year (26 issues) at $18

Two one year subscriptions to different individuals may be sent at the two year rate of $68.

(Subscription rates in foreign countries appear on title page)

TO

NAME .....
ADDRESS .....
.....

NAME .....
ADDRESS .....
.....

And Send Bill To

NAME .....
ADDRESS .....
.....

Mail This Coupon to

The China Weekly Review
160 Avenue Edward VII, Shanghai, China

Hard-fisted,
Swashbuckling,
Gallant

Captain Easy
Off on Another
Great Adventure!

in

"WASH TUBBS"

READ IT DAILY

in

The China Press

2

AMERICAN PRESIDENT LINES

"ROUND - WORLD SERVICE"

中華郵政特准掛號認為新聞紙類

Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China